2015-1542, -1569

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

AERO-STREAM, LLC.,

Plaintiff-Cross-Appellant,

v.

SEPTICAIRAID, LLC., ARTIE ZABEL,

Defendants-Appellants.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN IN 2:12-CV-190-LA
JUDGE LYNN ADELMAN

BRIEF OF DEFENDANTS-APPELLANTS SEPTICAIRAID, LLC and ARTIE ZABEL

MICHAEL T. HOPKINS
HOPKINS LAW FIRM
757 N. Broadway, Suite 201
Milwaukee, WI 53202
(866) 735-0515

Attorney for Defendants-Appellants

June 8, 2015

FORM 9. Certificate of Interest

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Aero-Stream, LLC v. SepticairAid, LLC

No. 15-1542

CERTIFICATE OF INTEREST

Counsel for the ~~(petitioner)~~ (appellant) ~~(respondent) (appellee) (amicus) (name of party)~~ SepticairAid, LLC and Artie Zabel certifies the following (use "None" if applicable; use extra sheets if necessary):

1. The full name of every party or amicus represented by me is:

SepticairAid, LLC and Artie Zabel

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

See paragraph 1, supra

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. ☑ The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Michael T. Hopkins; Hopkins Law Firm

4/9/2015
Date

/s/ Michael T. Hopkins
Signature of counsel

Michael T. Hopkins
Printed name of counsel

Please Note: All questions must be answered
cc: ____________________

Reset Fields

TABLE OF CONTENTS

TABLE OF AUTHORITIES iii

STATEMENT OF RELATED CASES 1

JURISDICTIONAL STATEMENT 1

STATEMENT OF THE ISSUES 2

STATEMENT OF THE CASE 3

STATEMENT OF FACTS 6

A. SepticairAid, LLC's Creation and Operations 6

B. The SEPTICAIR AID Trademark 7

C. Aero-Stream's Cybersquatting and Other Bad Acts 8

D. Reexamination of the '727 patent 12

E. Aero-Stream's Enforcement of the '727 Patent's
Reissued Claims 15

SUMMARY OF THE ARGUMENT 18

A. Trademark Related Counterclaims 18

B. Patent Related Counterclaims 18

C. Award of Attorney Fees Pursuant to Rule 41(a)(2),
Fed.R.Civ.P. 19

ARGUMENT 20

A. Standard of Review 20

1. Non Patent Law Issues 20

2. Summary Judgment ……………………………………..…..… 20

3. Dismissal for Lack of Jurisdiction ………………………..…… 21

4. Denial of an Award of Fees Under Rule 41(a)(2), Fed.R.Civ.P. ……………………………………………..…..… 21

B. The Trial Court Erred in Granting Aero-Stream's Motion for Summary Judgment, Finding the Septicair Aid Trademark Descriptive as a Matter of Law ………………………………………… 21

1. Descriptive versus suggestive marks …………………..……… 24

C. The trial Court Erred in Holding It lacked Jurisdiction to Hear SepticairAid's Patent Related Counterclaims Upon Aero-Stream's Voluntary Dismissal of its Infringement Claims, Without Prejudice. ……………………………………………..… 29

D. The Trial Court Abused its Discretion in Failing to Award SepticairAid the Attorney Fees Incurred in Defending Aero-Stream's Patent Infringement Claim Which Aero-Stream Voluntarily Dismissed, Without Prejudice, Two and One-Half Years After Suit Was Commenced. ……………………….…..… 34

CONCLUSION AND STATEMENT OF RELIEF SOUGHT ……………… 39

ADDENDUM

CERTIFICATE OF SERVICE

CERTIFICATE OF COMPLIANCE

TABLE OF AUTHORITIES

CASES

Bioxy, Inc. v. Birko Corp.,
935 F.Supp. 737 (EDNC, 1996) ………………………………………….…. 33

Cauley v. Wilson,
754 F.2d 769 (7th Cir. 1985) ……………………………………………..… 36

Chavez v. IL State Police,
251 F.3d 612 (7th Cir. 2001) …………………………..………………………. 38

Coleman v. Donahoe,
667 F.3d 835 (7th Cir., 2012) ……………………….…………..…… 21, 22
.
Cortlan Line Co. v. The Orvis Co.,
203 F.3d 1351 (Fed. Cir., 2000) ……………………..……………..… 20, 22

Danisco U.S. Inc. v. Novozymes,
744 F.3d 1325 (Fed. Cir., 2014) ………………………..………29, 30, 33

Highway Equipment Co., Inc. v. Feco, Ltd.,
469 F.3d 1027 (Fed. Cir. 2006) ……………………………………..… 38

LeBlang Motors, Ltd. v. Subaru of America, Inc.,
148 F.3d 680 (7th Cir. 1998) ………………………………..… 36, 37, 39

Marlow v. Winston & Strawn,
19 F.3d 300 (7th Cir. 1994) ………………………………………….….. 36

Money Store v. Harriscorp Finance, Inc.,
689 F.2d 666 (7th Cir. 1982) ………………………….…………..… 25, 26

Nelson v. Miller,
570 F.3d 868 (7th Cir., 2009) ……………………………….……..… 21,22

Organic Seed Growers & Trade Ass'n v. Monsanto Co.,
718 F.3d 1350 (Fed. Cir., 2013) ………………………….……..… 33, 34

Peaceable Planet, Inc. v. Ty, Inc.,
362 F.3d 986 (7th Cir. 2004) ………………………………………….. 26

Pixton v. B & B Plastics, Inc.,
291 F.3d 1324 (Fed. Cir., 2002) ……………………………………..… 21

Platinum Home Mortg. Corp. v. Platinum Fin. Grp., Inc.,
149 F.3d 722 (7th Cir. 1998) ……………………………………..……… 25

Renda Marine, Inc. v. United States,
509 F.3d 1372 (Fed. Cir. 2007) ……………………………………..…… 21

Samish Indian Nation v. United States,
419 F.3d 1355 (Fed. Cir., 2005) ……………………………………… 21

Two Pesos, Inc v. Taco Cabana, Inc.,
505 U.S. 763, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992) ………23, 24, 25

Union Carbide Corp. v. Ever-Ready Inc.,
531 F.2d 366 (7th Cir. 1976) ……………………………………………… 28

Wells Fargo Bank, N.A. v. Younan Props., Inc.,
737 F.3d 465 (7th Cir., 2013) …………………….……..…………… 21

STATUTES

15 U.S.C. §1125 ……………………………………………………… 22

28 U.S.C. §1295 ……………………………………………………….. 1

28 U.S.C. §1338 …………………………………………………..…… 1

RULES

Rule 41, Fed.R.Civ.P. ……………………………………. 4, 19, 21, 34, 35, 40

STATEMENT OF RELATED CASES

No appeal in or from the civil action in the District Court which is the subject of this appeal, or from any judgments or orders entered therein, was previously or currently is before this or any other appellate court.

SepticairAid, LLC and Artie Zabel, Defendants-Appellants, are unaware of any case pending before this or any other court which will directly affect or be directly affected by the Court's decision in the instant appeal.

JURISDICTIONAL STATEMENT

This is an appeal from final judgment entered by the United States District Court for the Eastern District of Wisconsin, Judge Lynn Adelman, on March 5, 2015. Jurisdiction in the trial court was based on 28 U.S.C. §1338(a).

Appellants timely filed their notice of appeal on April 3, 2015. This Court's jurisdiction is based on 28 U.S.C. §1295, which provides for jurisdiction over a final judgment from a U.S. District Court in patent cases where jurisdiction in the trial court was based on 28 U.S.C. §1338.

STATEMENT OF THE ISSUES

1. Did the trial court err in granting Aero-Stream's motion for summary judgment, finding the SEPTICAIR AID trademark descriptive as a matter of law?

2. Did the trial court err in holding it lacked jurisdiction to hear SepticairAid's patent related counterclaims upon Aero-Stream's voluntary dismissal of its infringement claims, without prejudice?

3. Did the trial court abuse its discretion in failing to award SepticairAid the attorney fees incurred in defending Aero-Stream's patent infringement claim which Aero-Stream voluntarily dismissed, without prejudice, two and one-half years after suit was commenced?

STATEMENT OF THE CASE

Plaintiff commenced the instant action on February 24, 2012, alleging, inter alia, infringement of U.S. Patent no. 7,264,727, entitled "SEPTIC SYSTEM REMEDIATION METHOD AND APPARATUS" (the '727 patent), issued to Plaintiff on September 4, 2007.[1]

Effective July 7, 2012 Defendants caused a Reexamination Request to be filed with the U.S. Patent Office relative to the '727 patent.[2] The Reexamination proceedings concluded on August 16, 2013 when the examiner issued a Final Rejection of all original claims of the '737 patent (1 through 20), and allowed amended claims 1 through 20 to reissue.[3]

A Reexamination Certificate for the '727 patent was issued by the U.S. Patent Office on October 29, 2013.[4]

Upon leave of Court Defendants filed a Second Amended Counterclaim on April 30, 2014 - six months after the '727 patent was reissued with amended claims.[5] Defendants alleged therein that the '727 patent was invalid and unenforceable due to a variety of factors, including obviousness and fraud on the Patent Office.[6] In its Answer to Defendants' Second Amended Counterclaim,

---

[1] Dkt. 1.
[2] A0354, ¶7.
[3] A0355, ¶13-14.
[4] A0355-A0356, ¶¶17-18.
[5] Dkt. 100.
[6] A0156, ¶29.

Plaintiff admitted that the reexamination proceeding had occurred;[7] denied that the reissued '727 was invalid;[8] and denied that Defendants' aerators did not infringe the reissued '727 patent.[9]

On June 24, 2014 Aero-Stream filed a motion for summary judgment, seeking dismissal of SepticairAid's trademark related counterclaims.[10] Defendant opposed this motion,[11] which was fully briefed as of August 28, 2014.[12]

Thereinafter, on September 26, 2014, Plaintiff filed an "expedited motion" under local rules to voluntarily dismiss its patent infringement claims against Defendant, and to dismiss Defendants' patent related counterclaims (invalidity and non-infringement) as moot."[13] This motion was also opposed by Defendants as it concerned their counterclaims.[14]

The court held a telephonic status conference concerning Plaintiff's motion to dismiss on October 22, 2014.[15] During the conference Defendants did not object to a dismissal of Plaintiff's infringement claims as long as they could preserve the issues of their entitlement to attorney fees under Rule 41(a)(2), and the viability of their patent related counterclaims for briefing and formal consideration by the court.[16] The court set a briefing schedule to address these issues. At that time Plaintiff was given the option of dismissing its claims with or without prejudice, and elected dismissal without prejudice.[17]

---

[7] A0168-A0169, ¶¶22-25.
[8] A0170, ¶29.
[9] A0169, ¶27. Plaintiff denied a negative, thereby affirmatively alleging that Defendants' devices did in fact infringe the reissued '727 patent.
[10] Dkt. 108, 109
[11] Dkt. 120-125
[12] Dkt. 128-131
[13] A0807-A0808
[14] A0810-A0813
[15] Dkt. 141

The parties then briefed the issues of Defendants' entitlement to attorney fees and the continued viability of Defendants' patent related counterclaims following dismissal of Plaintiff's infringement claims.[18]

After failed settlement negotiations,[19] the court issued a Decision and Order on March 5, 2015, granting Plaintiff's motion for summary judgment dismissing Defendants' trademark related counterclaims; dismissed Defendants' patent related counterclaims, finding a lack of continuing jurisdiction; and denied Defendants' request for attorney fees under Rule 41, as a quid pro quo for Plaintiff's dismissal of its claims, without prejudice.[20] Judgment was entered the same day; March 5, 2015.[21] Defendants filed their Notice of Appeal on April 3, 2015.[22]

---

[16] *Id.*
[17] *Id.*
[18] Dkt. 142-147
[19] Dkt. 149, 150. The court attempted, with the permission of the parties, to mediation a full resolution of all pending claims.
[20] A0002-A0012
[21] A0001
[22] A0955

STATEMENT OF FACTS

A.
SepticairAid, LLC's Creation and Operations

On April 13, 2011 Artie Zabel formed SepticairAid, LLC, by filing Articles of Organization with the State of Wisconsin.[23] SepticairAid, LLC is an internet based business, with all of its sales originating through its website, which utilizes the URL "www.septicairaid.com."[24] The www.septicairaid.com website became operational in approximately July 2011.[25]

SepticairAid, LLC uses the trademark "SEPTICAIR AID" to sell aerators on its website.[26]

SepticairAid, LLC's "www.septicairaid.com" web site has had approximately 117,979 separate sessions (where someone accesses the site) from its inception through August 2014.[27] From July through December 2012, the site had 15,776 unique visitors, accessing the site a total of 18,390 times.[28] From January through December 2013, the web site had 59,193 unique visitors, accessing the site a total of 71,422 times.[29] From January through the beginning of

[23] A0481, ¶¶2-3
[24] A0482, ¶9
[25] A0482, ¶11
[26] A0482, ¶10
[27] A0482, ¶¶12-13
[28] *Id.*
[29] *Id.*

August 2014, the site had 33,898 unique visitors, accessing the site a total of 39,385 times.[30]

From July 2011 through April 2014, SepticairAid, LLC sold 142 aeration units, for total gross sales of $117,417.00.[31]

B.
The SEPTICAIR AID Trademark

Artie Zabel filed an application with the U.S. Trademark Office on March 31, 2012, through counsel in Mountain View, California, seeking to register the "SEPTICAIR AID" trademark (Serial no. 85568254).[32]

A review of the prosecution history of the SEPTICAIR AID trademark application shows it was ineptly handled by counsel, with specimens of use, class delineations, description of goods, etc., not being properly provided.[33]

At one point, the examiner suggested that counsel choose one of two proposed classes and descriptions of goods.[34]One of the proposed classes and descriptions was: "Class 11 – Septic system components, namely, septic aerators that convert an anaerobic septic system to an aerobic system."[35] Not only did the examiner suggest this class designation and description of goods for the SEPTICAIR AID trademark, the examiner ***never*** rejected the registration upon a

[30] *Id.*
[31] A0483, ¶14
[32] A0356, ¶22
[33] A0356, ¶¶22-23
[34] A0356, ¶¶22-24
[35] A0357, ¶25

finding that the mark was generic or descriptive when applied to septic system aerators.[36]

Artie Zabel abandoned the prosecution of the trademark application when counsel in California requested another payment of $150.00, which he did not then have.[37]

C.
Aero-Stream's Cybersquatting and Other Bad Acts

Almost as soon as SepticairAid's website became active, Karl Holt, Aero-Stream's president and owner, began a course of harassment and other wrong doing intended to cause SepticairAid to fail.[38]

On July 13, 2011, Mr. Holt registered five domain names which were identical or very similar to SepticairAid's "www.septicairaid.com" URL, and the "Septicair AID" trademark.[39]

In registering four of these domain names (septicairaid.us; septicairaid.org; septicairaid.info; and septicairaid.biz), Mr. Holt listed himself as the "Registrant Name" and Aero-Stream, LLC as the "Registrant Organization."[40] The fifth

[36] A0357, ¶26, and the office actions from the file wrapper for Zabel's SEPTICAIR AID trademark application, A0462-A0465; A0468-A0471; and A0474-A0478.
[37] A0211, ¶55; A0357, ¶27
[38] A0483, ¶16
[39] A0483-A0484, ¶¶17-19
[40] *Id.*

domain name, septicairaid.net, was registered privately, where a proxy is listed as the Registrant, rather than the real Registrant.[41]

That same date Karl Holt filed Articles of Organization with Wisconsin's Department of Financial Institutions, creating Septic Air Aide, LLC.[42]

Aero-Stream continued this egregious activity. On September 14, 2011, an additional six domain names which were identical or very similar to SepticairAid, LLC's "www.septicairaid.com" URL, and the "Septicair AID" trademark were registered.[43] The domain names septicairaide.com; septicairaide.net; septicairaide.biz; septicairaide.info; and septicairaide.org were all registered privately. A sixth domain name, septicairaide.us, was also registered that day, listing Karl Holt as the "Registrant Name" and Aero-Stream, LLC as the "Registrant Organization."[44]

After the domain names septicairaid.us; septicairaid.org; septicairaid.info; septicairaid.biz; septicairaide.com; septicairaide.net; septicairaide.biz; septicairaide.info; septicairaide.org; and septicairaide.us were registered, they were all linked to Aero-Stream, LLC's website, "www.aero-stream.com," such that when one of the "septicairaid(e)" domain names was entered in a web browser, the user would be taken directly to the www.aero-stream.com website, owned and operated by Aero-Stream, LLC.[45]

---

[41] *Id.*
[42] A0484, ¶20
[43] A0484, ¶¶21-22
[44] *Id.*

Aero-Stream freely admits its cybersquatting activity and is unapologetic, but argues it was carried out as a defensive measure.

> Shortly after registering the domain name, Septicair Aid's website began displaying false and misleading information concerning Aero-Stream and its products. As a defensive measure to what Mr. Holt viewed as Septicair Aid's misuse of Aero-Stream's confidential, proprietary and trade secret information, Mr. Holt registered several domain names containing the name "septicairaid" but with various extensions (e.g. ".biz," ".us").
>
> Mr. Holt registered these domain names on or about July 2011 through September 2011. Mr. Holt has since caused those websites to be "parked." All but one of those domain names has been parked since October 22, 2013, and the last site (www.septicairaid.net) has been parked since February 20, 2014. (Citations to record have been omitted).[46]

Cybersquatting is not a legally recognized course of conduct to be taken up by a business or business owner to address what they consider an alleged business tort, real or imagined, perpetrated by a competitor.

---

[45] A0484, ¶23

[46] Dkt. 109, Plaintiff's Summary Judgment Brief, pages 7 and 8. According to Aero-Stream's admissions, the ten offending domains were linked to Aero-Stream's website for two years. The stand alone septicairaid.net website was operational for 2 ½ years, and only disabled after Mr. Holt was sued personally.

Additionally, the septicairaid.net domain name was put to special use. It was used as a website for Septic Air Aide, LLC, the shell entity Mr. Holt created in July 2011.[47]

The tab for the home page of the septicairaid.net website was entitled "Septic Aeration Scams."[48] The septicairaid.net website also hosted a video which showed a "quad" aeration diffuser in operation, which looked similar to the quad diffuser sold by SepticairAid, LLC.[49]

The video on the septicairaid.net website made false and misleading claims concerning the operation of the quad diffuser, when compared to SepticairAid's quad diffuser, and ended with a copyright notice from Aero-Stream, LLC.[50]

Aero-Stream's activity continued. In September 2011 Karl Holt attempted to have SepticairAid, LLC's "www.septicairaid.com" website disabled by filing a false DMCA take down notice with Customer Care, Inc., the internet service provider (ISP) for SepticairAid, LLC.[51]

SepticairAid, LLC's website was deactivated and removed from internet access from November 12, 2013 until January 2, 2014, by order of the Honorable Lee Dreyfus, Waukesha County Circuit Court Judge, for Zabel's posting of a product "comparison chart" on the website, even though the chart did not mention Aero-Stream, LLC by name.[52]

---

[47] A0485, ¶24
[48] *Id.*
[49] *Id.*
[50] A0485, ¶25
[51] A0485, ¶26

Additionally, since SepticairAid, LLC began selling septic aerators on the internet, Karl Holt has sent cease and desist letters and emails, and has made telephone calls to Zabel, Zabel's family members, Zabel's customers, and Zabel's friends, threatening lawsuits and demanding that they quit doing business with SepticairAid, LLC.[53]

Mr. Holt and his company, Aero-Stream, LLC seem particularly fixated on Artie Zabel and SepticairAid, LLC. There are numerous companies other than the parties to this litigation selling septic aerators, most of which pre-dated the existence of Aero-Stream, LLC. They include Aquaworx; Septic Professor; Septic Solutions; Pirana; SepAerator; Septic Doctor; and White Knight.[54]

D.
Reexamination of the '727 patent

The '727 patent, entitled "SEPTIC SYSTEM REMEDIATION METHOD AND APPARATUS", issued with 20 claims.[55] Claims 1, 3, 7, 12 and 16 were independent claims, and claims 2, 4-6, 8-11, 13-15, and 17-20 were dependent claims.[56] Of the independent claims, claims 1, 12, and 13 were method claims for

[52] A0483, ¶15
[53] A0486, ¶29; A0568-A0569, ¶¶9-12
[54] A0486, ¶30
[55] A0013; A0022-A0023
[56] A0022-A0023

"remediating a wastewater treatment system," and claims 3 and 7 read on the "wastewater treatment system" itself.[57]

SepticairAid filed a Reexamination Proceeding with the Patent Office in July 2012.[58]

On January 31, 2013 the Examiner issued a Reexamination Non-Final Office Action in which he rejected claims 1-20 of the '727 patent, finding that claims 1 and 2 were anticipated by the *Fife* prior art patent; claims 3-10 and 12-19 were obvious in light of the *Fife* and *Blough* prior art patents; and claims 11 and 20 were obvious in light of the *Fife, Blough* and *Suzuki* prior art patents.[59]

On March 29, 2013 Holt[60] filed an *Amendment in Response* to the Examiner's 1/31/13 Non-Final Office Action, wherein he requested that all independent claims of the '727 patent be amended to add further limitations to overcome the disclosures of the prior art patents cited by the Examiner.[61] In particular, Holt requested that claims 1, 3 and 7 be amended to include the additional limitation of installing a monitoring well in the septic system absorption field, to monitor the level of effluent present; and that claims 12 and 16 be amended to include the additional limitation of intermittently running and stopping the aeration device over a period of months and years, to control a "bio-mat layer."[62]

---

[57] *Id.*
[58] A0354, ¶7.
[59] A0354, ¶¶9-10
[60] Karl Holt is the named inventor of the '727 patent and the principal/owner of Aero-Stream, LLC. A0013
[61] A0354, ¶11

On August 16, 2013 the Examiner issued a Final Rejection of original claims 1 through 20 of the '727 patent. In response to Holt's arguments in amendment, the examiner allowed claims 1, 3, 7, 12, and 16, as amended; and original claims 2, 4-6, 8-11, and 17-20 as being dependent on the now amended independent claims.[63]

Two months before the Patent Office's issuance of the Reexamination Certificate on the '727 patent, counsel for SepticairAid forwarded two additional prior art references to Holt's counsel in the Reexamination Proceedings, which rendered amended claims 1, 3 and 7 obvious, as these new references disclosed the use of an inspection well in the absorption field for a septic system.[64] Counsel for Holt in the Reexamination proceeding never filed these new prior art references with the Examiner.[65]

A Reexamination Certificate for the '727 patent was issued by the U.S. Patent Office on October 29, 2013. The Reexamination Certificate reissued independent claims 1, 3, and 7 with the inspection well limitation requested by Mr. Holt in his *Amendment in Response*.[66]

---

[62] A0355, ¶12
[63] A0355, ¶¶13-14.
[64] A0355, ¶15
[65] A0355, ¶16.
[66] A0355-A0356, ¶¶17-18.

E.
Aero-Stream's Enforcement of the '727 Patent's Reissued Claims

SepticairAid's Second Amended Counterclaim was filed on April 30, 2014, six months after the '727 patent was reissued with amended claims.[67] SepticairAid alleged therein that the '727 patent was invalid and unenforceable due to a variety of factors, including obviousness and fraud on the Patent Office.[68] In its Answer to SepticairAid's Second Amended Counterclaim, Aero-Stream admitted that the reexamination proceeding had occurred;[69] denied that the reissued '727 was invalid;[70] and denied that SepticairAid's aerators did not infringe the reissued '727 patent.[71]

Aero-Stream did not dismiss its patent infringement claims after the '727 was reissued on October 29, 2013, following reexamination. Rather, Aero-Stream continued to attempt to enforce the amended and reissued claims of the '727 patent for another year. This included engaging in mediation with a magistrate judge[72] and conducting further discovery.

---

[67] Dkt. 100.
[68] Dkt. 100, p. 5, ¶29.
[69] A0168-A0169, ¶¶22-25.
[70] A0170, ¶29.
[71] A0169, ¶27. Aero-Stream denied a negative, thereby affirmatively alleging that SepticairAid's devices did in fact infringe the reissued '727 patent.
[72] Dkt. 114. Mediation was conducted on June 26, 2014 with Magistrate Judge Joseph.

Up until the time Aero-Stream filed its motion to dismiss in September 2014,[73] it aggressively attempted to enforce its infringement claims against Septicair Aid. For instance, in August 2014 Aero-Stream offered to settle its claims of infringement of the '727 patent provided Septicair Aid placed a disclaimer on its website addressing the express terms of the ***reissued*** claims of the '727 patent. SepticairAid's refusal to accept this proposal was cited by Aero-Stream as support for its Rule 11 Motion, seeking sanctions from SepticairAid.

In a declaration filed with the Court, Aero-Stream's counsel made the following sworn statements:

> 8. Aero-Stream's '727 patent was reexamined and the amended claims were issued by the United States Patent Office on October 29, 2013. See Ex Parte Reexamination Certificate No. U.S. 7,264,727 C1. Zabel concedes this fact. (Dkt. #126; Def. Br. at 9.)
>
> ……………………………………
>
> 10. In correspondence dated June 13, 2014, Zabel represented that the SepticairAID product does not incorporate an inspection well or pipe for monitoring of effluent below grade, and that Zabel does not instruct customers to switch the SepticairAID product on and off at intervals.[74]
>
> 11. Accepting these representations, Aero-Stream proposed stipulation for the dismissal of all claims relating to the '727 Patent. Specifically, Aero-Stream proposed a stipulation for dismissal of all patent claims;

[73] Dkt. 136

[74] Reference by Aero-Stream's counsel to the "inspection well" and the "continual operation" of the aeration device manufactured and sold by SepticairAid incorporates the limitations added to the claims of the '727 patent during reexamination.

> its claims for the Defendants' infringement of Aero-Stream's '727 patent in exchange for Zabel's dismissal of the counterclaims for invalidity and non-infringement. The only condition requested was that Zabel affirmatively state on the website and in the owner's manual that: (1) the SepticairAID product does not incorporate an inspection well or pipe for monitoring of effluent below grade, and (2) that the SepticairAID product should not be switched on and off but should run continuously – both of which are consistent with representations that the Defendants made to Aero-Stream about the manner in which their accused products function...........[75]

In an exhibit to that same declaration Aero-Stream's counsel attached a copy of an email from Aero-Stream's counsel to SepticairAid's counsel, dated August 14, 2014, in which Aero-Stream's counsel stated:

> Aero−Stream is willing to resolve its patent infringement claims and SepticairAID's counterclaims concerning Aero−Stream's '727 Patent.[76]

As Aero-Stream's counsel unequivocally stated in August 2014, Aero-Stream was actively seeking to enforce the claims of the '727 patent, as reissued, by having SepticairAid affirmatively agree not to practice the limitations imposed during the reexamination. A review of Exhibit A through E attached to Aero-Stream's counsel's declaration provides explicit proof that up until moving for dismissal, Aero-Stream had expressly sought to enforce the reissued claims of the '727 patent in this litigation.[77]

---

[75] A0701-A0702
[76] A0706
[77] A0706-A0714; and A0761-A0767

SUMMARY OF THE ARGUMENT

A.
Trademark Related Counterclaims

In its Decision and Order the court dismissed SepticairAid's trademark related counterclaims of cybersquatting, infringement and unfair competition, finding as a matter of law that the SEPTICAIR AID trademark was descriptive when used in the sale of septic aeration devices, lacked secondary meaning, and was hence not protectable under the Lanham Act. However, in reaching its decision in applying the "degree of imagination" test employed by the Seventh Circuit, the court failed to "examine the record in the light most favorable to SepticairAid," or to "resolve all evidentiary conflicts in its favor." SEPTICAIR AID does not describe the product being sold by SepticairAid, and under the "degree of imagination test" is suggestive.

Notwithstanding the foregoing, in the event the Court should agree that the SEPTICAIR AID mark is descriptive, a material question of fact exists as to whether it has developed secondary meaning, and is thus distinctive under the Lanham Act.

B.
Patent Related Counterclaims

The trial court dismissed SepticairAid's patent related counterclaims of invalidity and non-infringement following Aero-Stream's voluntary dismissal of its infringement claims, *without prejudice*, holding that "the remote possibility of a claim at some point in the future is too speculative to support jurisdiction."[78]

The trial court erred in dismissing SepticairAid's counterclaims of patent invalidity and non-infringement as SepticairAid is still selling the accused device; Aero-Stream's proffered excuse for its voluntary dismissal was SepticairAid's "weak sales;" Aero-Stream requested and was granted voluntary dismissal "without prejudice;" and Aero-Stream has not provided SepticairAid with an inclusive covenant not to sue. The record supports a finding of subject matter jurisdiction to decide SepticairAid's counterclaims as a case or controversy exists between the parties.

C.
Award of Attorney Fees Pursuant to Rule 41(a)(2), Fed.R.Civ.P.

Aero-Stream requested and was granted voluntary dismissal of its patent infringement claims against SepticairAid, without prejudice, two an one-half years after suit was commenced.

As the "quid pro quo" for the granting of Aero-Stream's dismissal motion, SepticairAid requested that it be awarded attorney fees incurred in defending those claims pursuant to Rule 41(a)(2), Fed.R.Civ.P. The trial court denied SepticairAid's request, reasoning that any future suit for infringement would be based upon the

[78] A0010

reissued claims of the ‘727 patent, and thus be “legally and factually different” than the causes of action alleged in this case.[79]

Because the trial court discounted the eventuality of a subsequent suit by Aero-Stream against SepticairAid for infringement of the ‘727 patent without a reasonable factual or legal basis in the record, it abused its discretion in refusing to grant SepticairAid’s request for fees, especially given the Seventh Circuit’s clear presumption that in such circumstances a fee request should normally be granted.

ARGUMENT

A.
Standard of Review

1. Non Patent Law Issues

In reviewing an issue not exclusive to patent law, the Federal Circuit applies the rule of the regional circuit, in this case the United States Court of Appeals for the Seventh Circuit. *Cortlan Line Co. v. The Orvis Co*., 203 F.3d 1351, 1361 (Fed. Cir., 2000).

2. **Summary Judgment**

The Seventh Circuit reviews grants of summary judgment de novo. Further,

> Summary judgment is appropriate only if the evidence presents no issue of material fact, so that the moving party is entitled to judgment as a matter of law. Fed. R.Civ.P. 56(c). The moving party is entitled to summary judgment if no reasonable fact-finder could return a verdict for the nonmoving party. *See Patton,* 480 F.3d at 485 (citing *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 254, 106 S.Ct. 2505, 91 L.Ed.2d

[79] A0011

> 202 (1986) and *Gleason v. Mesirow Fin., Inc.,* 118 F.3d 1134, 1139 (7th Cir.1997)). *Nelson v. Miller*, 570 F.3d 868, 875 (7th Cir., 2009).

Additionally, the court must

> …….. examine the record in the light most favorable to …… the non-moving party, resolving all evidentiary conflicts in her favor and according her the benefit of all reasonable inferences that may be drawn from the record. *Coleman v. Donahoe*, 667 F.3d 835, 842 (7th Cir., 2012).

3. Dismissal for Lack of Jurisdiction

Dismissal of claims for lack of jurisdiction is a question of law which is reviewed de novo. *Pixton v. B & B Plastics, Inc.*, 291 F.3d 1324, 1326 (Fed. Cir., 2002); *Samish Indian Nation v. United States*, 419 F.3d 1355, 1363 (Fed. Cir., 2005).

4. Denial of an Award of Fees Under Rule 41(a)(2), Fed.R.Civ.P.

A Rule 41(a)(2) determination is subject to review for abuse of discretion. *Wells Fargo Bank, N.A. v. Younan Props., Inc.*, 737 F.3d 465, 468 (7th Cir., 2013).

A district court necessarily abuses its discretion when it misapplies the law or relies on erroneous legal conclusions. *Renda Marine, Inc. v. United States*, 509 F.3d 1372, 1379 (Fed. Cir. 2007).

B.
The Trial Court Erred in Granting Aero-Stream's Motion for Summary Judgment, Finding the Septicair Aid Trademark Descriptive as a Matter of Law

In reviewing an issue not exclusive to patent law, the Federal Circuit applies the rule of the regional circuit, in this case the United States Court of Appeals for the Seventh Circuit. *Cortlan Line Co. v. The Orvis Co*., 203 F.3d 1351, 1361 (Fed. Cir., 2000). The Seventh Circuit reviews grants of summary judgment de novo. Further,

> Summary judgment is appropriate only if the evidence presents no issue of material fact, so that the moving party is entitled to judgment as a matter of law. Fed. R.Civ.P. 56(c). The moving party is entitled to summary judgment if no reasonable fact-finder could return a verdict for the nonmoving party. *See Patton,* 480 F.3d at 485 (citing *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 254, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986) and *Gleason v. Mesirow Fin., Inc.,* 118 F.3d 1134, 1139 (7th Cir.1997)). *Nelson v. Miller*, 570 F.3d 868, 875 (7th Cir., 2009).

Additionally, the court must

> …….. examine the record in the light most favorable to …… the non-moving party, resolving all evidentiary conflicts in her favor and according her the benefit of all reasonable inferences that may be drawn from the record. *Coleman v. Donahoe*, 667 F.3d 835, 842 (7th Cir., 2012).

Aero-Stream moved for summary judgment, seeking to have SepticairAid's trademark related counterclaims dismissed.[80] Aero-Stream argued that the SepticairAid mark was not distinctive, and thus not protectable under the Lanham Act.[81]

The district court held that the SepticairAid mark, although not generic, was, as a matter of law, descriptive and had not acquired secondary meaning.[82]

---

[80] SepticairAid brought counterclaims under §43 of the Lanham Act (15 U.S.C. §1125) for trademark infringement, unfair competition and cybersquatting. See A0156-A0157.

[81] A0188-A0192

[82] A0004-A0005

Consequently the court concluded it was not afforded protection under the Lanham Act and dismissed SepticairAid's trademark related counterclaims.[83]

In reaching this conclusion the district court held that "'SepticairAid' is a descriptive mark, and that no reasonable fact finder could conclude that it is suggestive," reasoning that "the term 'Septicairaid' ***directly describes for the consumer how the product aids the septic system***."[84] However, in reaching its decision when applying the "degree of imagination" test used by the Seventh Circuit, the court failed to "examine the record in the light most favorable to SepticairAid," or to "resolve all evidentiary conflicts in its favor."

The Supreme Court defined what is meant by a "distinctive mark" in *Two Pesos, Inc v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S.Ct. 2753, 120 L.Ed.2d 615, 23 USPQ2d 1081 (1992).

> A trademark is defined in 15 U.S.C. § 1127 as including "any word, name, symbol, or device or any combination thereof" used by any person "to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." In order to be registered, a mark must be capable of distinguishing the applicant's goods from those of others. §1052. Marks are often classified in categories of generally increasing distinctiveness; following the classic formulation set out by Judge Friendly, they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful. See *Abercrombie & Fitch Co. v. Hunting World, Inc.,* 537 F. 2d 4, 9 (CA2 1976). The Court of Appeals followed this classification and petitioner accepts it. Brief for Petitioner 11-15. ***The latter three categories of marks, because their intrinsic nature serves to identify***

[83] A0008
[84] A0005-A0006

a particular source of a product, are deemed inherently distinctive and are entitled to protection. In contrast, generic marks—those that "refe[r] to the genus of which the particular product is a species," *Park' N Fly, Inc. v. Dollar Park and Fly, Inc.,* 469 U.S. 189, 194, 105 S.Ct. 658, 661, 83 L.Ed.2d 582 (1985), citing *Abercrombie & Fitch, supra,* at 9—are not registrable as trademarks. *Park' N Fly, supra,* 469 U.S., at 194, 105 S.Ct., at 661-662.

Marks which are merely descriptive of a product are not inherently distinctive. When used to describe a product, they do not inherently identify a particular source, and hence cannot be protected. ***However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the Act. Section 2 of the Lanham Act provides that a descriptive mark that otherwise could not be registered under the Act may be registered if it "has become distinctive of the applicant's goods in commerce." §§ 2(e), (f), 15 U.S.C. §§ 1052(e), (f). See Park' N Fly, supra, at 194, 196, 105 S.Ct., at 661-662-663. This acquired distinctiveness is generally called "secondary meaning."*** See *ibid.; Inwood Laboratories, supra,* 456 U.S., at 851, n. 11, 102 S.Ct., at 2187; *Kellogg Co. v. National Biscuit Co.,* 305 U.S. 111, 118, 59 ,S.Ct. 109, 113, 83 L.Ed. 73 (1938). The concept of secondary meaning has been applied to actions under § 43(a). See, *e.g., University of Georgia Athletic Assn. v. Laite,* 756 F.2d 1535 (CA11 1985); *Thompson Medical Co. v. Pfizer Inc., supra.*

The general rule regarding distinctiveness is clear: an identifying mark is distinctive and capable of being protected if it *either* (1) is inherently distinctive *or* (2) has acquired distinctiveness through secondary meaning. Restatement (Third) of Unfair Competition, § 13, pp. 37-38, and Comment *a* (Tent. Draft No. 2, Mar. 23, 1990). Cf. *Park' N Fly, supra,* 469 U.S., at 194, 105 S.Ct., at 661-662. (Emphasis added) *Two Pesos*, 505 U.S. at pp. 768-769.

1. Descriptive versus suggestive marks

The trial court found that the "Septicair AID" trademark used by SepticairAid to sell septic aeration devices was, as a matter of law descriptive and had not acquired secondary meaning. As such the court found the mark was not distinctive and consequently not entitled to protection under the Lanham Act.[85]

It is clear from a review of applicable case law as developed in the Seventh Circuit that the SepticairAid mark is suggestive, and thus inherently distinctive without a showing of acquired secondary meaning. *Two Pesos*, 505 U.S. at p. 768.

The Seventh Circuit has adopted the "degree of imagination test" to analyze whether a mark is descriptive or suggestive.

> To identify the difference between descriptive and suggestive words and to appreciate the inherent distinctiveness of a suggestive mark as compared to one that is merely descriptive, the district court applied the "degree of imagination test" as articulated by this court in *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947 (7th Cir.1992): [I]f a mark imparts information directly it is descriptive. If it stands for an idea which requires some operation of the imagination to connect it with the goods, it is suggestive. *Platinum Home Mortg. Corp. v. Platinum Financial Group, Inc.,* 149 F.3d 722, 727 (7th Cir. 1998)

In *Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666, 216 USPQ 11 (7th Cir. 1982), the district court determined that the term "Money Store" was suggestive of a retail money lending business, rather than descriptive. The appellate court affirmed the trial court's determination, reasoning:

> If we were considering the validity of "THE MONEY STORE" mark de novo, we would find this an extremely close case. On the one hand, "THE MONEY STORE" conveys the idea of a commercial establishment whose service involves supplying money. The term does not, however, necessarily convey the essence of the business,

[85] A0005-A0008

> money lending. Arguably, the mark might refer to twenty-four hour teller services, or establishments which deal in foreign currency or traveller's checks, to mention just a few possibilities. Some imagination and perception are therefore required to identify the precise nature of the services offered by the plaintiff. *Money Store*, 689 F.2d, at page 674.

Likewise, in *Peaceable Planet, Inc. v. Ty, Inc.*, 362 F.3d 986 (7th Cir. 2004) the court found that the mark “Niles” was suggestive when applied to stuffed toy camels. In reaching this conclusion, the court instructed:

> What is more, if one wants to tie the rule in some fashion to the principle that descriptive marks are not protectable without proof of second meaning, then one must note that "Niles," at least when affixed to a toy camel, is a suggestive mark, like "Microsoft" or "*Business Week,*" or — coming closer to this case — like "Eeyore" used as the name of a donkey, or the proper names in *Circuit City Stores, Inc. v. CarMax, Inc., supra,* 165 F.3d at 1054, rather than being a descriptive mark. Suggestive marks are protected by trademark law without proof of secondary meaning. *Peaceable Planet*, 362 F.3d at pages 990-991.

Thus, the Seventh Circuit recognized that “Microsoft,” the trademark of a company which makes software for microprocessors; “Business Week,” the trademark of a company that publishes a magazine of business news on a weekly basis; and “Eeyore,” the name of a donkey which sounds lake a donkey’s braying when pronounced, are all suggestive marks. In other words, when applying the “degree of imagination test” set forth above, one needs to exercise “some operation of the imagination” to associate the mark with the goods.

In the case at bar Septicairaid, LLC is using the *Septicair AID* mark to sell septic aeration devices which are comprised of a compressor or diaphragm pump, a tube, and an air stone. This is exactly the setup used to aerate aquariums, only on a slightly larger scale.[86]

The air pump is connected to the air stone with the tube. The air stone is then placed in the septic tank and the air pump is plugged in. The air pump forces air through the tube, to the air stone. The air stone cause the air to bubble-up in the septic tank.[87]

However, there are other methods used to aerate septic systems. For instance, U.S. Patent 5,194,144 issued in 1993 to Ronald Blough is entitled 'APPARATUS FOR AERATION OF SEPTIC TANKS."[88] Blough's device uses a hollow shaft through which air is forced, and a propeller, to aerate a septic system. It does not use an air stone. Another device is disclosed in U.S. patent 6,254,066 (issued in 2001) entailed "APPARATUS FOR AERATING LIQUID IN A WASTEWATER TREATMENT TANK," which uses a submersible motor and a propeller without the forced introduction of air bubbles to aerate a septic system.[89]

The import of this varied marketplace is that although Septicair AID is *suggestive* of septic aeration generally, it does not *describe* the product being sold by Septicairaid, LLC. "SepticairAid" does not describe an aeration system which uses a pump, tube, and air stone, in contrast to the other septic aeration devices being sold generally.

---

[86] A0485, ¶¶24-25; A0502-A0505; and A0534
[87] *Id.*
[88] Defendants would ask the Court to take judicial notice of this U.S. Patent Office document, which is readily available online.
[89] A0486, ¶3. See also the Aquaworx Remediator, White Knight, and Piranha systems, A0548-A0565.

Additionally, the term "Aid," when used with "Septicair" is also suggestive. How does the air "aid" the septic system? Will it fix a failed system? Does it work on all systems? Does it just make the effluent less pungent? Will it only improve the functioning of an operational system?

It is clear from the foregoing that the mark "SepticairAid" is suggestive when applied to the sale of the aeration devices being sold by Septicairaid, LLC, as a consumer is required to exercise "some operation of the imagination" to associate the mark with Septicairaid, LLC's goods.

Notwithstanding the foregoing, if the Court should determine the "Septicair AID" mark is descriptive, a material issue of fact is presented as to whether the mark has acquired secondary meaning, thereby foreclosing a grant of summary judgment.

> To establish secondary meaning it is not necessary for the public to be aware of the name of the manufacturer from which a product emanates. It is sufficient if the public is aware that the product comes from a single, though anonymous, source. *Spangler Candy Co. v. Crystal Pure Candy Co.*, 353 F.2d 641, 647 (7th Cir. 1965). It is easier to establish secondary meaning where the term used, while descriptive, is not generic. (Citations omitted).
>
> We agree with the district court's summary of the factors relevant on the issue of secondary meaning: 'The amount and manner of advertising, volume of sales, the length and manner of use, direct consumer testimony and consumer surveys.' *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 380, 188 U.S.P.Q. 623 (7th Cir. 1976).

At the time the record had been established at the trial court, SepticairAid, LLC's website had been operational for 35 months. During that time it had 108,867 unique visitors. The site was accessed more than 129,000 times, or more than 121 times per day. Septicairaid, LLC had garnered in excess of $117,000.00 in gross sales. Aero-Stream has not suggested or presented any evidence that the SEPTICAIR AID mark is similar to any other mark used to sell aeration devices (which may cause confusion as to source). It is respectfully suggested that if the Court should determine at this juncture that the Septicair AID mark is descriptive rather than suggestive, it cannot find as a matter of law that secondary meaning has not been established, and should be remanded for a trial on this issue.

C.
The trial Court Erred in Holding It lacked Jurisdiction to Hear SepticairAid's Patent Related Counterclaims Upon Aero-Stream's Voluntary Dismissal of its Infringement Claims, Without Prejudice.

The trial court dismissed SepticairAid's patent related counterclaims of invalidity and non-infringement following Aero-Stream's voluntary dismissal of its infringement claims, *without prejudice*, holding that "the remote possibility of a claim at some point in the future is too speculative to support jurisdiction."[90]

> A district court's decision to dismiss a declaratory judgment action for lack of subject matter jurisdiction is a question of law that we review without deference. *Teva Pharm. USA, Inc. v. Novartis Pharm. Corp.,* 482 F.3d 1330, 1335-36 (Fed. Cir. 2007); *SanDisk Corp. v. STMicroelectronics, Inc.,* 480 F.3d 1372, 1377 (Fed. Cir. 2007). We

[90] A0010

> review the district court's underlying factual findings for clear error. *Id. Danisco U.S. Inc. v. Novozymes,* 744 F.3d 1325, 1329 (Fed. Cir., 2014).

The Patent Office issued a reexamination certificate for the ‘727 patent on October 29, 2013. All 20 claims were reissued, as amended. Claims 1, 3 and 7 were amended to include the additional limitation of installing a monitoring well in the septic system absorption field, to monitor the level of effluent present. Claims 12 and 16 were amended to include the additional limitation of intermittently running and stopping the aeration device over a period of months and years, to control a “bio-mat layer.”[91]

Aero-Stream filed its motion to voluntarily dismiss its patent infringement claims against SepticairAid on September 26, 2014 - eleven months after the reexamination certificate issued. During this time Aero-Stream actively pursued patent infringement claims against SepticairAid based upon the reissued claims of the ‘727 patent. For instance, in answer to SepticairAid’s Second Amended Counterclaims which was filed on April 30, 2014,[92] Aero-Stream denied that the device sold by SepticairAid *did not* infringe the ‘727 patent.[93] Plaintiff also participated in mediation with a magistrate judge in June 2014 where it sought renumeration from Defendants for their alleged infringement of the '727 patent. Finally, as a basis for its motion for sanctions under Rule 11 which was filed in August 2014, one month prior to filing the motion to dismiss, counsel for Aero-Stream made the following sworn statements:

---

[91] A0355, ¶12. Claims 1, 3, 7, 12 and 16 are independent claims. The dependent claims (2, 4-6, 8-11, 13-15, and 17-20) were reissued as incorporating the additional limitations of the independent claims. See also the Reexamination Certificate, A0024-A0026.
[92] A0152
[93] A0169, ¶27

> 8. Aero-Stream's '727 patent was reexamined and the amended claims were issued by the United States Patent Office on October 29, 2013. See Ex Parte Reexamination Certificate No. U.S. 7,264,727 C1. Zabel concedes this fact. (Dkt. #126; Def. Br. at 9.)
>
> …………………………………
>
> 10. In correspondence dated June 13, 2014, Zabel represented that the SepticairAID product does not incorporate an inspection well or pipe for monitoring of effluent below grade, and that Zabel does not instruct customers to switch the SepticairAID product on and off at intervals.[94]
>
> 11. Accepting these representations, Aero-Stream proposed stipulation for the dismissal of all claims relating to the '727 Patent. ***Specifically, Aero-Stream proposed a stipulation for dismissal of all patent claims; its claims for the Defendants' infringement of Aero-Stream's '727 patent*** in exchange for Zabel's dismissal of the counterclaims for invalidity and non-infringement. The only condition requested was that Zabel affirmatively state on the website and in the owner's manual that: (1) the SepticairAID product does not incorporate an inspection well or pipe for monitoring of effluent below grade, and (2) that the SepticairAID product should not be switched on and off but should run continuously – both of which are consistent with representations that the Defendants made to Aero-Stream about the manner in which their accused products function………..[95] (Emphasis added).

---

[94] Reference by Plaintiff's counsel to the "inspection well" and the "continual operation" of the aeration device manufactured and sold by Defendant incorporates the limitations added to the claims of the '727 patent during reexamination.

[95] A0701-A0702

In an exhibit to that same declaration Aero-Stream's counsel attached a copy of an email from Aero-Stream's counsel to SepticairAid's counsel, dated August 14, 2014, in which Aero-Stream's counsel stated:

> Aero−Stream is willing to resolve its patent infringement claims and SepticairAID's counterclaims concerning Aero−Stream's '727 Patent.[96]

As Aro-Stream's counsel unequivocally stated in August 2014, Aero-Stream was actively seeking to enforce the claims of the '727 patent, as reissued, by having SepticairAid affirmatively agree not to practice the limitations imposed during the reexamination. A review of Exhibit A through E attached to Aero-Stream's counsel's declaration provides explicit proof that up until filing its motion to dismiss, Aero-Stream has expressly sought to enforce the reissued claims of the '727 patent in this litigation.[97]

Aero-Stream's future intent with regard to pursuing additional infringement claims against Septicair Air arising out of the reissued '727 patent is equivocal. When given the option of whether it wished to dismiss its infringement claims with or without prejudice, Aero-Stream elected dismissal *without prejudice*. Consonantly, when urging dismissal of its infringement claims, Aero-Stream did not offer an all inclusive covenant not to sue. By dismissing its infringement claims in the manner it did, Aero-Stream has preserved the option of refiling claims for infringement of its reissued ‘727 patent against SepticairAid.

---

[96] A0706
[97] A0706-A0714; A0761-A0767

The trial court dismissed SepticairAid’s counterclaims of patent invalidity and non-infringement even though SepticairAid is still selling the accused device; Aero-Stream’s proffered excuse for its voluntary dismissal was SepticairAid’s “weak sales;” and Aero-Stream requested and was granted voluntary dismissal “without prejudice.” The record supports a finding of subject matter jurisdiction to decide SepticairAid’s counterclaims.

A voluntary dismissal *with prejudice* may have been enough to render SepticairAid’s counterclaims moot. *Bioxy, Inc. v. Birko Corp*., 935 F.Supp. 737, 740, 742 (E.D.N.C., 1996). A covenant not to sue tendered by a patent owner can have the same effect. *Organic Seed Growers & Trade Ass'n v. Monsanto Co*., 718 F.3d 1350, 1357 (Fed. Cir., 2013). However, in the case at bar Aero-Stream requested dismissal without prejudice, thereby preserving its ability to refile its patent infringement claims at a later date.

In *Danisco U.S. Inc. v. Novozymes* 744. F.3d 1325, 1329-1330 (Fed. Cir. 2014) the court stated: “Article III does not mandate that the declaratory judgment defendant have threatened litigation or otherwise taken action to enforce its rights before a justiciable controversy can arise, and the Supreme Court has repeatedly found the existence of an actual case or controversy even in situations in which there was no indication that the declaratory judgment defendant was preparing to enforce its legal rights."

Despite Aero-Stream's best efforts to force SepticairAid out of business, SepticairAid, LLC is still selling the accused device. This alone creates a case or controversy sufficient to confer jurisdiction on the Court relative to SepticairAid's invalidity and non-infringement counterclaims. *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 718 F.3d 1350, 1359, 1360 (Fed. Cir., 2013).

Given the current litigation and the continued existence of the '727 patent, there exists a real possibility that Aero-Stream may sue SepticairAid in the future if it should determine that "Defendants' sales of infringing product are ***not*** modest, and damages recoverable by Plaintiff would ***not*** be minimal."[98] Even upon the dismissal of Aero-Stream's patent infringement claims, a "justiciable controversy" continued to exists between the parties such that SepticairAid's counterclaims remained viable and should not have been dismissed.

D.
The Trial Court Abused its Discretion in Failing to Award SepticairAid the Attorney Fees Incurred in Defending Aero-Stream's Patent Infringement Claim Which Aero-Stream Voluntarily Dismissed, Without Prejudice, Two and One-Half Years After Suit Was Commenced.

As the "quid pro quo" for the court's granting Aero-Stream's motion to dismiss its infringement claims without prejudice pursuant to Rule 41(a)(2), Fed.R.Civ.P., SepticairAid requested that it be awarded attorney fees incurred in

[98] A0806-A0807

defending those claims over a two and one-half year period. The trial court denied SepticairAid's request, reasoning that any future suit for infringement would be based upon the reissued claims of the '727 patent, and thus be "legally and factually different" than the causes of action alleged in this case.[99] However, as shown above, this reasoning ignores the fact that for the last year of this litigation Aero-Stream was in fact attempting to enforce the reissued claims of the '727 patent. Also, as a matter of public policy a patent holder should not be able to prosecute infringement claims for two and one-half years and then seek voluntary dismissal without prejudice, citing "weak sales" of the accused device as an excuse, without answering to the alleged infringer for the time and cost incurred in defending the suit .

Because the trial court discounted the eventuality of a subsequent suit by Aero-Stream against SepticairAid for infringement of the '727 patent without a reasonable factual or legal basis in the record, it abused its discretion in refusing to grant SepticairAid's request for fees, especially given the Seventh Circuit's clear presumption that in such circumstances a fee request should normally be granted.

The Seventh Circuit has long held that under most circumstances, a defendant is entitled to reimbursement of the actual fees and costs it has incurred in defense of claims voluntarily dismissed under Rule 41(a)(2), Fed.R.Civ.P.

[99] A0011

> Rule 41(a) "preserve[s] the plaintiff's right to take a voluntary nonsuit and start over so long as the defendant is not hurt." *McCall-Bey v. Franzen*, 777 F.2d 1178, 1184 (7th Cir.1985). To further this purpose, Rule 41(a)(2) provides that, after a defendant has filed an answer or a motion for summary judgment, a plaintiff may voluntarily dismiss his case without prejudice, but only "upon order of the court and upon such terms and conditions as the court deems proper." Fed.R.Civ.P. 41(a)(2). The language of the Rule makes it clear that a court order is a prerequisite to dismissal at this point, and further provides that dismissal may be conditioned upon the plaintiff fulfilling whatever terms and conditions the district court, in its discretion, deems necessary to offset the possible prejudice defendant may otherwise suffer from plaintiff dismissing his complaint without prejudice. See *Moser v. Universal Engineering Corp.*, 11 F.3d 720, 723 (7th Cir. 1993); *Davis v. USX Corp.*, 819 F.2d 1270, 1273 (4th Cir.1987). ***Typically, a court imposes as a term and condition of dismissal that plaintiff pay the defendant the expenses he has incurred in defending the suit, which usually includes reasonable attorneys' fees.*** See 5 *Moore's Federal Practice* p 41.06 at 41-82 to 41-86 (1993). As we have previously observed, such terms and conditions "are the quid for the quo of allowing the plaintiff to dismiss his suit without being prevented by the doctrine of res judicata from bringing the same suit again." *McCall*, 777 F.2d at 1184. (Emphasis added). *Marlow v. Winston & Strawn*, 19 F.3d 300, 303 (7th Cir. 1994).

See also, *Cauley v. Wilson*, 754 F.2d 769, 771-773 (7th Cir. 1985) [Plaintiff's counsel should have been aware that awarding of fees was a condition of court allowing voluntary dismissal without prejudice; fees allowed because Defendant may have to incur same expense again in defending subsequent action when dismissal is without prejudice].

In *LeBlang Motors, Ltd. v. Subaru of America, Inc.*, 148 F.3d 680 (7th Cir. 1998), the Seventh Circuit affirmed the district court's award of fees incurred by the defendant in preparation for trial when plaintiff sought voluntary dismissal a week before trial, even though the dismissal was granted without prejudice and the defendant presumably would need this work product to defend a subsequent suit. The Court reasoned:

> Because we do not read *Cauley* and *Marlow* as restricting the kind or amount of fees a district court may award upon the granting of a motion for voluntary dismissal, and because LeBlang explicitly agreed to pay Subaru's costs of trial preparation, we do not believe that the district court abused its discretion in awarding Subaru the costs and fees associated with trial preparation.
>
> As to the exact amount of fees the court awarded, we affirm a district court's award of attorneys' fees unless the award constitutes an abuse of discretion. See *Dutchak v. Central States, Southeast and Southwest Areas Pension Fund*, 932 F.2d 591, 596 (7th Cir.1991); Cauley, 754 F. 2d at 772. We owe a high degree of deference to the trial court's determination for three reasons: First, the district court has a " 'superior understanding of the litigation and [we] desir[e to] avoid[ ] frequent appellate review of what are essentially factual matters.' " *Estate of Borst v. O'Brien*, 979 F.2d 511, 514 (7th Cir.1992) (quoting *Hensley v. Eckerhart*, 461 U.S. 424, 437, 103 S.Ct. 1933, 76 L.Ed.2d 40 (1983)). Second, the need to achieve uniformity in attorneys' fee awards is not so compelling as to justify a high level of scrutiny. See *id*. Finally, deference assists us in avoiding satellite litigation solely over fees. See *id*.
>
> Based on our review of the record, we cannot say that the district court abused its discretion in awarding Subaru $89,032.29 in costs and fees. ***The court scrutinized the time sheets submitted by Subaru's attorneys and determined that only 70% of the work could properly be characterized as "trial preparation." The court therefore awarded Subaru 70% of its requested fee amount. This was a proper use of the court's discretion, and we therefore uphold the fee award entered in LeBlang I***. (Emphasis supplied). *LeBlang Motors*, 148 F.3d at pp. 686-687.

See also *Chavez v. IL State Police*, 251 F.3d 612, 655 (7th Cir. 2001) "…a court may include, in its order for voluntary dismissal, whatever "terms and conditions" it deems proper. Fed. R. Civ. P. 41(a)(2). The district court has broad discretion in this respect, and we will overturn an imposition of conditions only if the court abused its discretion."

The court also has discretion to award fees incurred by a party in a reexamination proceeding which ultimately results in the voluntary dismissal of infringement claims in pending litigation.

> In light of the foregoing precedent, we conclude that as a matter of patent law, the dismissal with prejudice, based on the covenant and granted pursuant to the district court's discretion under Rule 41(a)(2), has the necessary judicial imprimatur to constitute a judicially sanctioned change in the legal relationship of the parties, such that the district court properly could entertain FECO's fee claim under 35 U.S.C. § 285. *See Power Mosfet,* 378 F.3d at 1416 (holding that a patent infringement defendant obtained a disposition on the merits for purposes of Fed.R.Civ.P. 54(d)(1) where patentee voluntarily dismissed its infringement claim with prejudice); *Inland Steel,* 364 F. 3d at 1321 (***holding that a patent infringement defendant, who moved for dismissal after obtaining cancellation of patents through reexamination proceedings before the Patent and Trademark Office obtained a disposition on the merits in infringement action for purposes of obtaining attorney fees and costs***). (Emphasis added). *Highway Equipment Co., Inc. v. Feco, Ltd.*, 469 F.3d 1027, 1035 (Fed. Cir. 2006).

SepticairAid submitted itemized statements to the trial court with its request for fees. The court also held that the total requested "appears to include fees unrelated to defense of the patent infringement claims, such as fees for prosecuting defendants' trademark counterclaims and for defending the state court case."[100] However, the court did not exercise its discretion and "scrutinize" the statements as did the trial court in *LeBlang Motors*, supra, nor did it request clarification from SepticairAid. This also was an abuse of discretion.

CONCLUSION AND STATEMENT OF RELIEF SOUGHT

SepticairAid, LLC and Artie Zabel, Defendants-Appellants, respectfully request:

1. That the Court reverse the judgment of the district court, finding that the SEPTICAID AID trademark is suggestive and hence entitled to protection under the Lanham Act, and remand for a complete trial and adjudication of Defendants-Appellants' trademark related counterclaims; or in the alternative, reverse the judgment of the district court, finding that a material question of fact exists as to whether the SEPTICAIR AID trademark, even though descriptive, has acquired secondary meaning, and remand for a complete trial and adjudication of the issue of secondary meaning and Defendants-Appellants' trademark related counterclaims; and

2. That the Court vacate the judgment of the district court, finding that the district court has subject matter jurisdiction to hear Defendants-Appellants' patent

[100] A0011. The statements submitted contained charges for counsels' representation of SepticairAid in the case at bar, and before the USPTO in the reexamination procedure. They did not contain charges related to the state court litigation commenced by Aero-Stream.

related counterclaims, and remand for a complete trial and adjudication of said claims; and

3. That the court vacate the judgment of the district court, finding that the district court abused its discretion in not awarding Defendants-Appellants reasonable attorney fees pursuant to Rule 41(a)(2), Fed.R.Civ.P. in defending Plaintiff-Cross-Appellant's patent infringement claims, and make a determination of a reasonable award; or in the alternative, remand this case for a determination by the district court of a reasonable award of fees and costs pursuant to Rule 41(a)(2).

Respectfully submitted this 8th day of June, 2015.

/s/ Michael T. Hopkins .
MICHAEL T. HOPKINS
HOPKINS LAW FIRM
757 N. Broadway, Suite 201
Milwaukee, WI 53202
(866) 735-0515

Attorney for Defendants-Appellants

ADDENDUM TABLE OF CONTENTS

Judgment, March 5, 2015 …..…………………………. Addendum-001

Decision and Order, March 5, 2015 ……………..………….. Addendum-002

U.S. patent 7,264,727 …………………………………. Addendum-013

United States District Court

EASTERN DISTRICT OF WISCONSIN

JUDGMENT IN A CIVIL CASE

AERO-STREAM LLC,
Plaintiff and
Counterclaim defendant,

PEKIN INSURANCE COMPANY,
Counterclaim defendant,

v.

CASE NUMBER: 12-CV-190

SEPTICAIRAID LLC and
ARTIE ZABEL,
Defendant and
Counterclaim plaintiff.

☐ **Jury Verdict.** This action came before the Court for a trial by jury. The issues have been tried and the jury has rendered its verdict.

☒ **Decision by Court.** This action came to trial or hearing before the Court. The issues have been tried or heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED that all claims and counterclaims are dismissed.

March 5, 2015
Date

Jon W. Sanfilippo
Clerk

s/ D. Monroe
(By) Deputy Clerk

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

AERO-STREAM, LLC,
Plaintiff,

v. **Case No. 12-cv-0190**

SEPTICAIRAID, LLC and
ARTIE ZABEL,
Defendants.

DECISION AND ORDER

Plaintiff Aero-Stream LLC brought a patent infringement claim against a former employee, Artie Zabel and a company he formed, SepticairAid LLC. Defendants asserted several counterclaims. Plaintiff voluntarily dismissed its claim, and in this decision I resolve its motions relating to the defendants' counterclaims.

I. Background

Plaintiff sells septic aerators, a product which assists septic systems in functioning. In 2007, plaintiff's owner, Karl Holt, patented the aerobic method that the product employs and assigned the patent to Aero-Stream. Also in 2007, plaintiff hired Zabel to run its internet marketing. In 2010, plaintiff fired Zabel. In 2011, Zabel formed SepticairAid which also sells septic aerators. According to plaintiff, SepticairAid began to place false and uncomplimentary information about plaintiff's products on its website. In response, Holt created a company called "Septic Air Aide, LLC," registered several domain names consisting of variations of the term "septicairaid," linked many of the URLs to plaintiff's website, and set up a website entitled "Septic Aeration Scams" the URL of which was "septicairaid.net." According to Zabel, the website hosted a video making false statements about a septic aeration device similar to SepticairAid's.

Plaintiff filed two lawsuits against defendants, the present suit and a state court action alleging business tort claims. Defendants' counterclaims in the present case are for declaratory judgment of patent non-infringement and patent invalidity and for trademark infringement, unfair competition, and cybersquatting under The Lanham Act.[1] Before me now are plaintiff's motions for summary judgment and sanctions with respect to defendants' trademark-related counterclaims and plaintiff's request to dismiss as moot defendants' patent non-infringement and invalidity counterclaims.

II. Trademark Counterclaims

Defendants allege trademark infringement in violation of 15 U.S.C. § 1125(a)(1)(A), unfair competition in violation of 15 U.S.C. § 1125(a)(1)(B), and cybersquatting in violation of 15 U.S.C. § 1125(d). The Lanham Act only protects marks which by definition are distinctive, 2 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 11:2 (4th ed.) ("If a designation is not 'distinctive,' it is not a 'mark.'"). Thus, in order to prevail on their trademark-related counterclaims defendants must establish that the term "SepticairAid" is a distinctive mark. *See DaimlerChrysler v. The Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004) (listing valid trademark as an element of a cybersquatting claim); *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 638 (7th Cir. 2001) (listing protectable mark as an element of an unfair competition claim); *Platinum Home Mortg. Corp. v. Platinum Fin. Grp., Inc.*, 149 F.3d 722, 726 (7th Cir. 1998) (listing valid trademark as an element of a trademark infringement claim).

---

[1] SepticairAid also filed a separate federal suit against Karl Holt alleging the same trademark-related claims it asserts in its counterclaims in the present case.

Whether or not a mark is distinctive is an issue of fact. 2 McCarthy, *supra* § 11:3. However, if no reasonable fact finder could conclude that the mark "SepticairAid" is distinctive, I may grant summary judgment on the issue. *Nelson v. Miller*, 570 F.3d 868, 875 (7th Cir. 2009). Marks fall into five categories based on increasing distinctiveness: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, and (5) fanciful. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). A generic mark identifies the type or genus of a particular product and is not distinctive and never protectable. *Id.*; *Mil-Mar Shoe Co. v. Shonac Corp.*, 75 F.3d 1153, 1157, 1160 (7th Cir. 1996) (listing "light beer" as an example of a generic mark because "light" designates a subcategory of beer). Plaintiff argues that "SepticairAid" is generic, but I disagree. The term does not define a subcategory of septic aids and is not a term commonly used to name or designate a kind of goods. *See Mil-Mar Shoe Co., Inc.*, 75 F.3d at 1157, 1160.

The real dispute is whether "SepticairAid" is descriptive or suggestive. A descriptive mark "describes the ingredients, qualities, or characteristics of an article of trade or a service" and is generally not entitled to trademark protection unless it acquires secondary meaning "in the collective consciousness of the relevant community." *Id.* at 1157. Examples of descriptive marks include "Work-N-Play," "Holiday Inn," "All Bran," and "American Girl." *Custom Vehicles, Inc. v. Forest River, Inc.*, 476 F.3d 481, 483 (7th Cir. 2007) A suggestive mark "calls to mind some attribute of the products," *id.* at 486, and is entitled to trademark protection because it is inherently distinctive. *Platinum Home Mortg. Corp.*, 149 F.3d at 727. To distinguish between descriptive and suggestive marks, I use the "degree of imagination test," which provides that: "If the mark imparts information directly it is descriptive. If it stands for an idea which requires some operation of the imagination to connect it with the goods, it is suggestive." *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 952 (7th Cir. 1992) (internal quotations and citation omitted). The fact that a term is unfamiliar or a play on words does not render it suggestive; "imagination required to link a suggestive term with a corresponding product 'refers to the mental process required to connect a name that is incongruous or figurative of the product.'" *Id.* 953 (quoting *G. Heileman Brewing Co., Inc. v. Anheuser-Busch, Inc.*, 873 F.3d 985, 997 (7th Cir. 1989)). Examples of suggestive marks include "Mr. Clean," "Gleam Toothpaste," and "Roach Motel." *Custom Vehicles, Inc.*, 476 F.3d at 486; *Sands, Taylor & Wood Co.*, 978 F.2d at 953.

I conclude that "SepticairAid" is a descriptive mark, and that no reasonable fact finder could conclude that it is suggestive. The term consists of three words, "septic," "air" and "aid." These words directly describe what the product does; it aerates septic systems. Defendants present two arguments that the term is suggestive; first, that it does not describe the specific device sold by the company, as distinguished from other septic aerators; that is, it "does not describe an aeration system which uses a pump, tube, an air stone." Defs.' Br. in Opp. to Pl.'s Mot. for Summ. J., at 17 (ECF No. 125). However, to be considered descriptive, a mark need not contain a complete description of a product. A mark is descriptive if it describes "a product characteristic that figures prominently in the consumer's decision whether to buy the product or service in question." *Custom Vehicles, Inc.*, 476 F.3d at 483. The term "SepticairAid" does just that.

Second, defendants argue that the use of the word "Aid" makes the term suggestive because it requires some operation of the imagination to determine how the product aids the septic system. However, the presence of the word "aid" does not make "Septicairaid" suggestive: "no flight of imagination or keen logical insight is required" to deduce that the product is designed to "aid" or improve septic systems. *G. Heileman Brewing Co., Inc.*, 873 F.2d at 993; *see also Sands, Taylor & Co.*, 978 F.2d at 953 (concluding that "'no flight of imagination or keen logical insight is required' to make the connection between 'Thirst Aid' and a product that quenches thirst"). The presence of the word "air" makes it even clearer that the mark is descriptive because it is the addition of air that aids the septic system. In sum, the term "Septicairaid" directly describes for the consumer how the product aids the septic system.

Despite being descriptive, defendant can still establish that "SepticairAid" is a mark entitled to protection under the Lanham Act by showing that the term has acquired distinctiveness through secondary meaning. Whether a descriptive mark has acquired secondary meaning is an issue of fact, 6 McCarthy, *supra* § 32:119, and I may not grant summary judgment unless, taking all facts in favor of defendants, there is no genuine issue of material fact as to whether the term has acquired secondary meaning. *Johnny Blastoff, Inc. v. L.A. Rams Football Co.*, 188 F.3d 427, 433 (7th Cir. 1999). To establish secondary meaning, defendants must show that "in the minds of the public, the primary significance of [the term 'SepticairAid'] is to identify the source of the product itself." *Two Pesos*, *Inc.*, 505 U.S. at 766 n.4; *see also* 2 McCarthy, *supra* § 11:25 (defining secondary meaning as "consumer acceptance and recognition of such marks as denoting only one seller or source"). In determining whether defendants have established secondary meaning, I consider: "(1) the amount and manner of advertising; (2) the sales volume; (3) the length and manner of use; (4) consumer testimony; and (5) consumer surveys." *Platinum Home Mortg. Corp.*, 149 F.3d at 728. Defendants have provided no consumer testimony or surveys, thus I rely on the first three factors.

To support their argument that a fact issue exists as to whether the term "SepticairAid" has acquired secondary meaning, defendants point out that it has operated a website for 35 months and that the website has been accessed more than 129,000 times by 108,867 unique visitors. However, since 2011, the company has generated a very small amount of gross sales revenue, only $117,000. Further, it has spent only $3,000 on advertising and nothing since 2012. Based on these numbers, no reasonable fact finder could conclude that the term "SepticairAid" has developed secondary meaning. SepticairAid has been in business a very short time, has spent virtually nothing on advertising and has averaged less than $40,000 a year in gross sales. *See Custom Vehicles, Inc.*, 476 F.3d at 486 ("[W]ithout significant sales (always excepting the case of the superexpensive prototype) the mark could not achieve secondary meaning."). Internet visibility does not indicate consumer acceptance or recognition and, in itself, is insufficient to overcome the company's meager sales and non-existent advertising. *See, e.g.*, *555-1212.com, Inc. v. Commc'n House Int'l, Inc.*, 157 F. Supp. 2d 1084, 1091 (N.D. Cal. 2001) (concluding that status as one of the top 500 websites that attract the most unique visitors indicates only "that a large number of Internet users visit plaintiff's web site" and "does not provide any reasonable inference . . . that these users perceive plaintiff's domain name as a brand name").

Because defendants fail to show that the term "SepticairAid" is a protectable mark under the Lanham Act, all of its trademark claims must be dismissed. However, I decline to impose sanctions for asserting these claims. I cannot say that defendants filed the claims with the purpose to harass, cause unnecessary delay, or needlessly increase the cost of litigation, *see Kapco Mfg. Co., Inc. v. C&O Enters., Inc.*, 886 F.2d 1485, 1491 (7th Cir. 1989), or that the claims were frivolous or filed without a reasonable and competent inquiry, *Indep. Lift Truck Builders Union v. NACCO Materials Handling Grp., Inc.*, 202 F.3d 965, 968–69 (7th Cir. 2000).

IV. Patent Counterclaims

Turning to the patent-related counterclaims, defendants seek a declaratory judgment that plaintiff's patent is invalid and/or that they are not infringing it. I previously granted plaintiff's motion to dismiss its patent infringement claims based on the parties' agreement. The unresolved issue is whether, now that the infringement claims are no longer pending, I still have jurisdiction over the counterclaims for declaratory judgment.

The Declaratory Judgment Act only grants jurisdiction over "actual controvers[ies]," 28 U.S.C. § 2201(a), and it may not be used to "secur[e] an advisory opinion in a controversy which has not arisen." *Coffman v. Breeze Corps.*, 323 U.S. 316, 324 (1945); *see also Matthews Int'l Corp. v. Biosafe Eng'g*, 695 F.3d 1322, 1329 (Fed. Cir. 2012) ("A party may not obtain a declaratory judgment merely because it would like an advisory opinion on whether it would be liable for patent infringement."). "A party seeking to base jurisdiction on the Declaratory Judgment Act bears the burden of proving that the facts alleged, 'under all the circumstances, show that there is a substantial controversy, between the parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.'" *Benitec Australian, Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1343 (Fed. Cir. 2007) (quoting *MedImmune, Inc. v. Genetech, Inc.*, 549 U.S. 118, 127 (2007)). Because there are no longer pending infringement claims which would give rise to an actual controversy between the parties, defendants must demonstrate a substantial risk that plaintiff will bring future infringement claims in order to establish an actual controversy sufficient for me to maintain jurisdiction. *Danisco U.S. Inc. v. Novozymes A/S*, 744 F.3d 1325, 1330 (Fed. Cir. 2014). This requires more than "the residual possibility of a future infringement suit." *Benitec Australian, Ltd.*, 495 F.3d at 1345–46 (internal quotations and citation omitted).

I conclude that there is not an actual controversy sufficient to justify continued jurisdiction over defendants' declaratory judgment claims. Since this case was filed, defendants forced a reexamination of plaintiff's patent, and the only portion of the patent which plaintiff alleged defendants had violated was invalidated. Thus, plaintiff cannot bring the same patent infringement claim again. *Bloom Eng'g Co., Inc. v. N. Am. Mfg. Co., Inc.*, 129 F.3d 1247, 1249–50 (Fed. Cir. 1997) ("[T]he making of substantive changes in the claims [during reexamination] is treated as an irrebuttable presumption that the original claims were materially flawed. . . relieving those who may have infringed the original claims from liability during the period before the claims are validated.").[2] Further, plaintiff states that it has no plans to bring infringement claims based on the reexamined patent because

[2] Despite the fact that plaintiff asserts its voluntary dismissal of its patent claims is without prejudice, it is clear–and plaintiff admits–that it cannot bring the infringement claim alleged in this lawsuit again. Thus, the parties' preoccupation with whether the dismissal is with or without prejudice is inconsequential because the effect is the same.

defendants' sales figures are so low. And, for plaintiff to bring a second infringement suit based on the reexamined patent would, indeed, make little sense.

Defendants argue that plaintiff's two lawsuits, *Danisco U.S. Inc.*, 744 F.3d at 1332 (concluding that a demonstration that a party "has engaged in a course of conduct that shows a preparedness and a willingness to enforce its patent rights" as a factor weighing in favor of jurisdiction (internal quotations and citation omitted)), and the absence of a covenant not to sue for infringement in the future, *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 718 F.3d 1350, 1357 (Fed. Cir. 2013) ("[A] covenant not to sue a declaratory judgment plaintiff can moot a controversy between the parties."), are enough to justify continued jurisdiction. But plaintiff voluntarily dismissed its infringement claims rather than amending to pursue infringement claims based on the reexamined patent. And the absence of a covenant not to sue does not automatically give rise to jurisdiction. Plaintiff's actions and representations indicate that it is unlikely that plaintiff will pursue further patent litigation against defendants. The remote possibility of a claim at some point in the future is too speculative to support jurisdiction. Thus, I will dismiss defendants' patent-related counterclaims.

IV. Attorneys' Fees

Finally, defendants argue that they should receive attorneys' fees for defending plaintiff's patent infringement claim now that plaintiff has voluntarily dismissed it. Generally, when a plaintiff voluntarily dismisses its claims but remains in a position to bring them again, "a court imposes a term and condition of dismissal that plaintiff pay the defendant the expenses he has incurred in defending the suit, which usually includes reasonable attorneys' fees. . . . [S]uch terms and conditions 'are the quid for the quo of allowing the plaintiff to dismiss his suit without being prevented by the doctrine of res judicata from bringing the same suit again.'" *Marlow v. Winston & Strawn*, 19 F.3d 300, 303 (7th Cir. 1994) (quoting *McCall-Bey v. Franzen*, 777 F.2d 1178, 1184 (7th Cir. 1985)). However, the parties concede that the reexamination precludes plaintiff from bringing the same claim again. That plaintiff could conceivably bring a future infringement claim based on the reexamined patent does not change this analysis; a future infringement claim based on the reexamined patent would be legally and factually different, especially considering that the only portion of the original patent which plaintiff alleged defendants violated was invalidated. Thus, defendants will not incur duplicative legal expenses, and the rationale that defendant relies on for seeking attorneys' fees disappears. *See Cauley v. Wilson*, 754 F.2d 769, 772 (7th Cir. 1985) (stating that attorneys' fees are meant to address the fact that "the defendant may have to defend again at a later time and incur duplicative legal expenses").

Further, defendants request $70,074.68 in fees, and this total appears to include fees unrelated to defense of the patent infringement claims, such as fees for prosecuting defendants' trademark counterclaims and for defending the state court case. It is impossible to discern from defendants' submission how much of the amount requested was actually incurred defending the patent infringement claims.

THEREFORE, IT IS ORDERED that plaintiff's motion for summary judgment (ECF No. 108) is **GRANTED**.

IT IS FURTHER ORDERED that plaintiff's motion for sanctions (ECF No. 118) is

DENIED.

IT IS FURTHER ORDERED that plaintiff's motion to file sur-reply (ECF No. 148) is **GRANTED**.

Dated at Milwaukee, Wisconsin, this 5th day of March, 2015.

s/ Lynn Adelman

LYNN ADELMAN
District Judge

US007264727B2

(12) **United States Patent**
Holt

(10) **Patent No.: US 7,264,727 B2**
(45) **Date of Patent: Sep. 4, 2007**

(54) **SEPTIC SYSTEM REMEDIATION METHOD AND APPARATUS**

(76) Inventor: **Karl K. Holt**, N78 W29098 Flynn Rd., Hartland, WI (US) 53029

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 136 days.

(21) Appl. No.: **10/764,245**

(22) Filed: **Jan. 23, 2004**

(65) **Prior Publication Data**

US 2004/0149652 A1 Aug. 5, 2004

Related U.S. Application Data

(60) Provisional application No. 60/442,446, filed on Jan. 25, 2003.

(51) **Int. Cl.**
C02F 3/00 (2006.01)

(52) **U.S. Cl.** **210/620**; 210/220

(58) **Field of Classification Search** 210/606, 210/620, 220, 532.2
See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

5,221,470 A * 6/1993 McKinney 210/151
5,384,048 A 1/1995 Hazen et al.
5,490,935 A * 2/1996 Guy 210/620
5,549,818 A * 8/1996 McGrew, Jr. 210/195.4
5,810,514 A 9/1998 Suchecki, Jr.
6,096,203 A * 8/2000 Drewery 210/170
6,159,371 A * 12/2000 Dufay 210/602
6,200,470 B1 * 3/2001 Romero et al. 210/170
6,475,395 B1 * 11/2002 Schmit et al. 210/741
6,780,318 B2 * 8/2004 Fife et al. 210/621
6,861,248 B2 * 3/2005 Dale et al. 435/255.2
6,863,818 B2 * 3/2005 Daigger et al. 210/616
2003/0113908 A1 * 6/2003 Hussey et al. 435/296.1
2003/0234217 A1 * 12/2003 Perriello et al. 210/610

FOREIGN PATENT DOCUMENTS

JP 10151480 A * 6/1998
JP 11253942 A * 9/1999

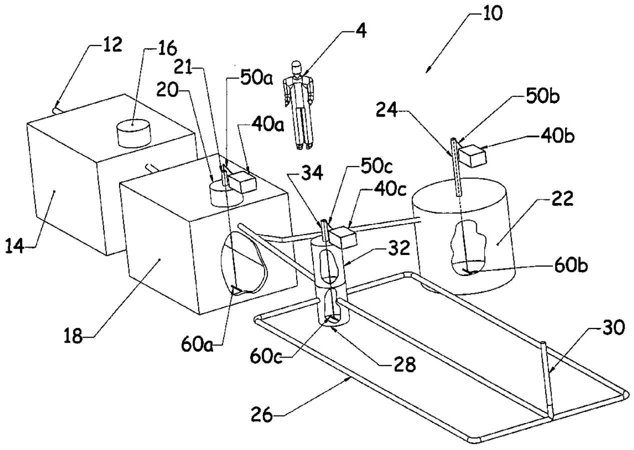
* cited by examiner

Primary Examiner—Chester T. Barry
(74) *Attorney, Agent, or Firm*—Joseph S. Heino; Patrick M. Bergin

(57) **ABSTRACT**

An apparatus and a method for the remediation of failing wastewater treatment systems, such systems being comprised of one or more septic tanks and a seepage pit, drywell, absorption field or an above grade mound system having an inlet and a plurality of outlets wherein effluent drains from the inlet to the outlet, comprises a positive pressure pump having an output, a tube having a first end and a second end, the first end being attachable to the pump output, and an air stone attachable to the second tube end. The pump is used to deliver air through the tube to the air stone. As much tube as is required is used to allow the air stone to be introduced into almost any portion of the wastewater treatment system so as to introduce air into the effluent to allow aerobic bacteria to proliferate. The apparatus could also include a plurality of such pumps, tubes and air stones, and in many combinations. The method comprises introducing oxygen to the bio-mat, introducing live aerobic bacteria to the bio-mat, monitoring the level of effluent in the absorption field or dry well, and stopping the introduction of air to the effluent when the bio-mat is sufficiently reduced or made permeable. The method could also introduce live anaerobic bacteria to the treated area after remediation equipment is removed.

20 Claims, 5 Drawing Sheets



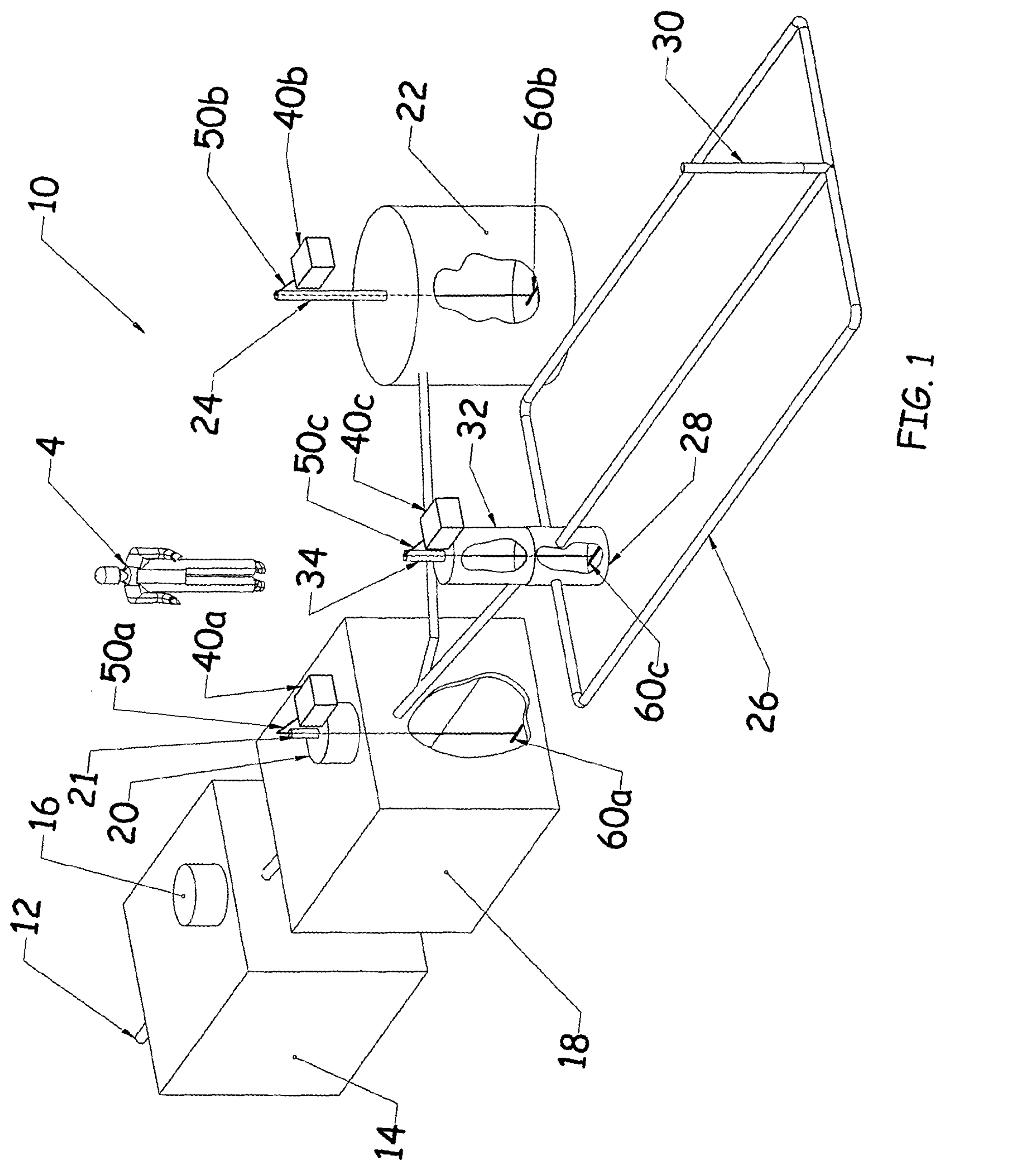

10
50b
40b
22
60b
30
24
4
50c
40c
32
28
34
50a
40a
21
20
16
12
14
18
60a
60c
26

FIG. 1

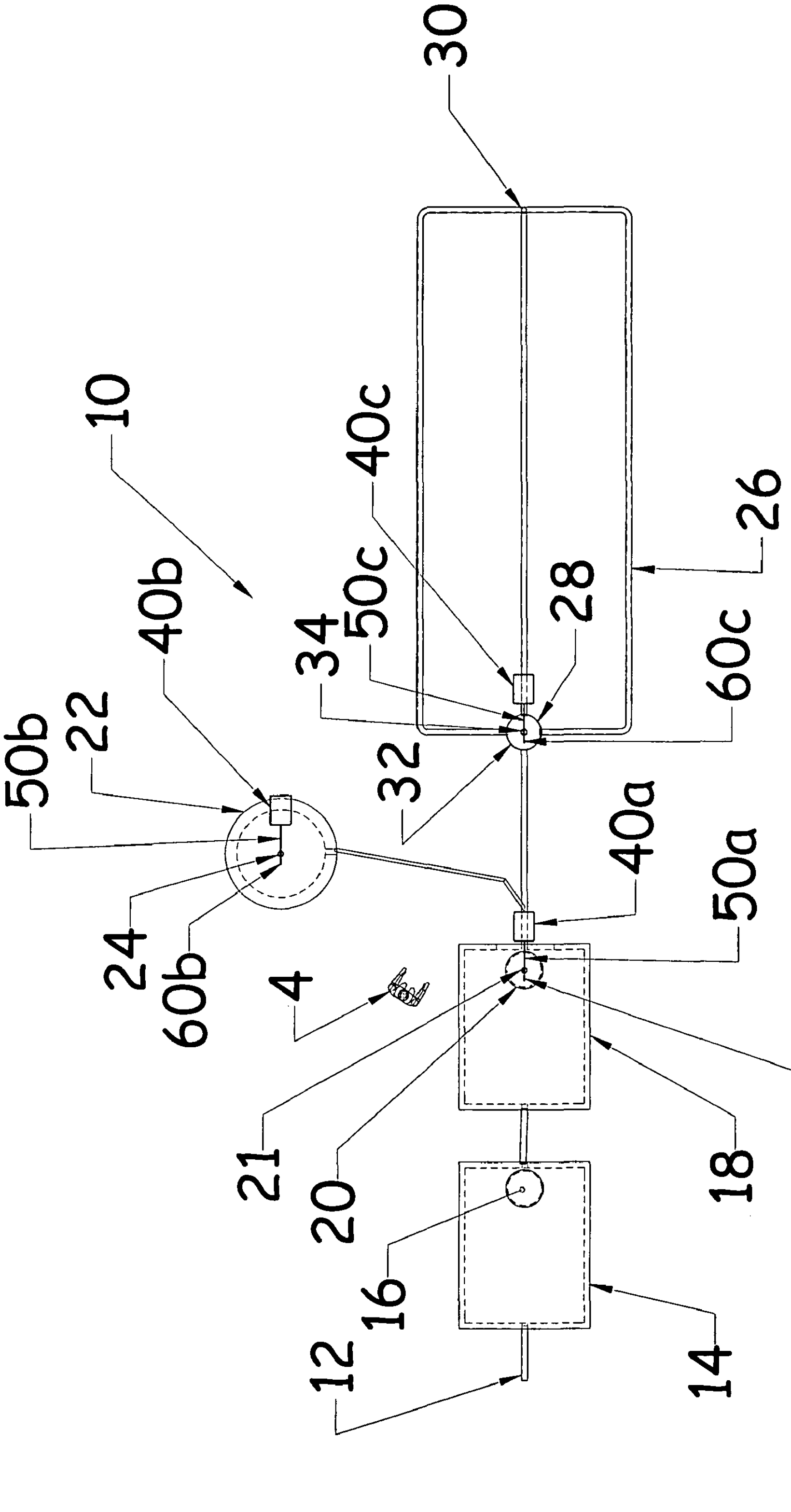

30
10
40c
26
40b
50c
28
34
60c
22
50b
32
40a
50a
24
60b
4
60a
21
20
18
16
12
14

FIG. 2

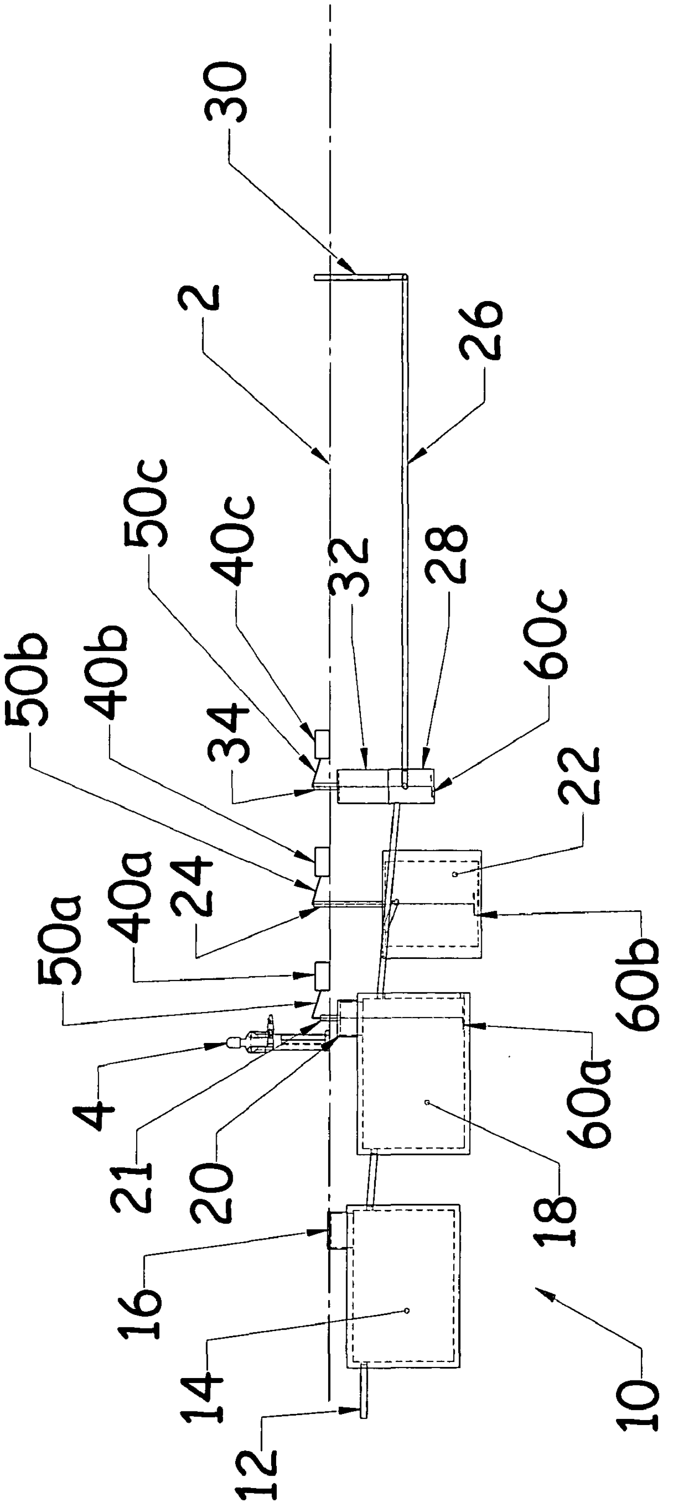
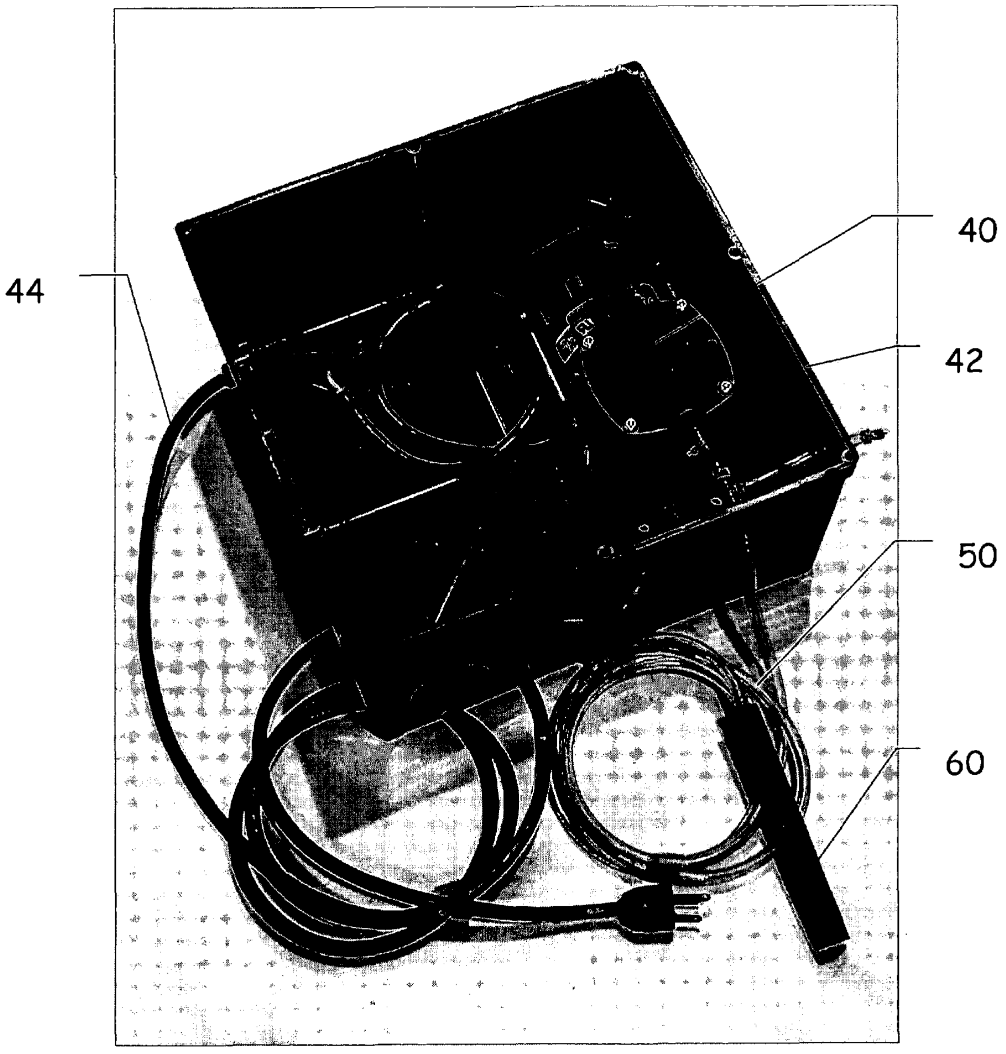

30
2
26
50c
40c
32
28
60c
50b
40b
34
22
24
40a
50a
60b
4
21
20
60a
18
16
14
12
10

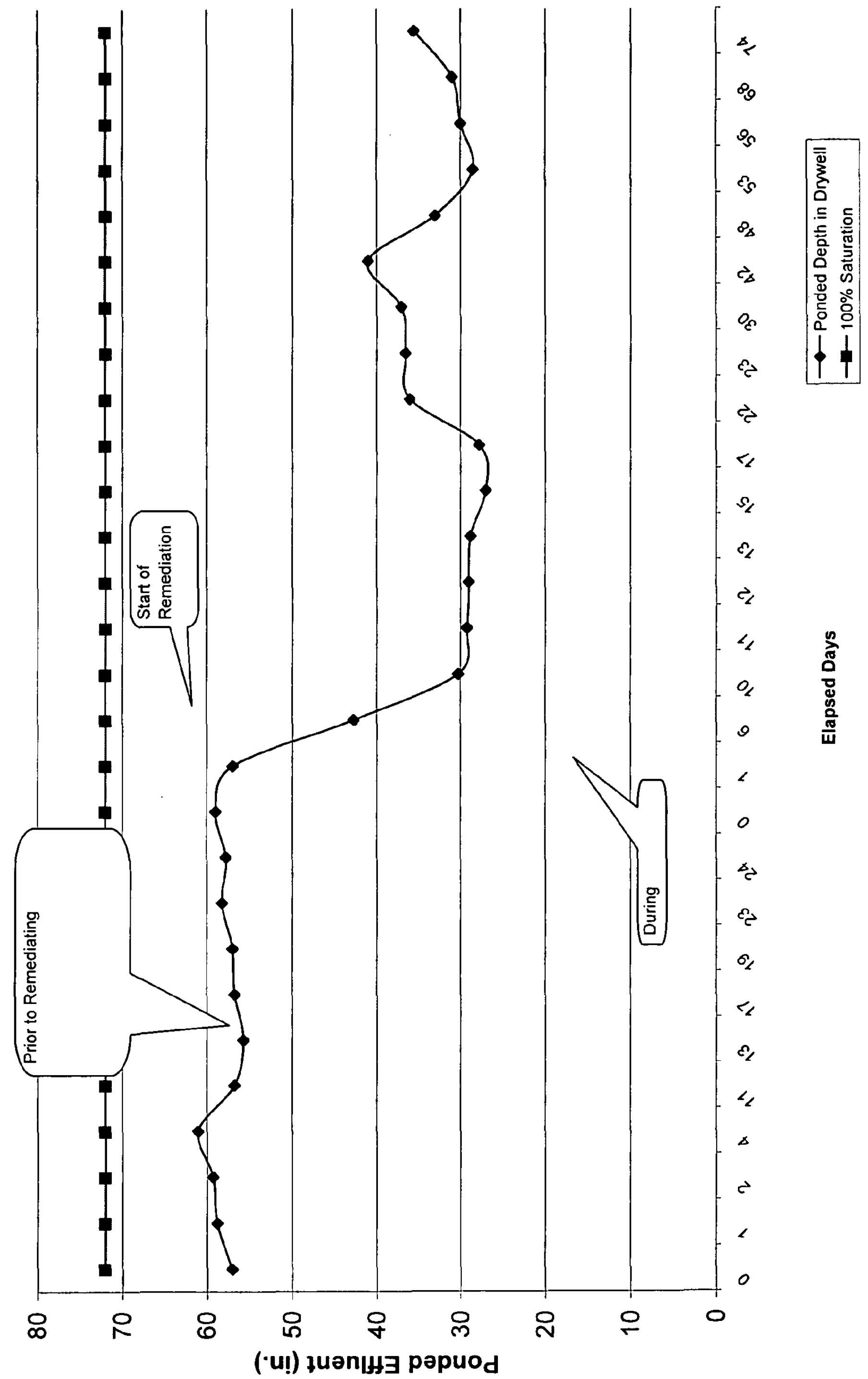
FIG. 3



40
44
42
50
60

FIG. 4

Fig. 5


Ponded Effluent (in.)
0
10
20
30
40
50
60
70
80
Elapsed Days
Ponded Depth in Drywell
100% Saturation
Prior to Remediating
Start of Remediation
During

SEPTIC SYSTEM REMEDIATION METHOD AND APPARATUS

This application claims the benefit and priority of U.S. Provisional Application No. 60/442,446 filed Jan. 25, 2003.

FIELD OF THE INVENTION

This invention relates generally to septic systems and to the components that make up such systems. More particularly, it relates to a method and to an apparatus for remediating the formation of a bio-mat that can occur in the absorption field component of a private on-site wastewater treatment system.

BACKGROUND OF THE INVENTION

Septic systems and septic system components are well known in the art. Such systems are typically found in relatively sparsely populated areas not otherwise serviced by municipal waste water systems. The purpose of a septic system is to dispose of the wastewater that is generated by the occupants of a home or other building in such a manner that surrounding soils can be used to disperse the wastewater without causing an adverse effect on ground water and, in turn, on public health and the environment in general. To accomplish this task, septic systems are normally comprised of a septic tank, a distribution system and a leaching system.

The septic tank is connected to the plumbing of a home or building by means of a sewer line. The septic tank provides a holding area for the settling of waste solids and for some initial treatment of the waste. Generally, septic tanks have baffles to slow the velocity of the liquid moving through the tank and to prevent solids from leaving the tank. In this way, properly functioning septic tanks produce an effluent of fairly uniform quality.

The effluent then moves to a distribution system that directs the flow of effluent from the septic tank to the leaching system in such a manner as to fully utilize the leaching system. Most systems take advantage of gravity, meaning that flow runs through piping and distribution boxes without the assistance of any mechanical device such as a pump.

The leaching system disperses the sewage effluent over a given underground area and into the surrounding natural soils. There are several types of leaching systems and the specific type used often depends on the surrounding soil conditions. Most residential leaching systems use stone filled leaching trenches but galleries, pits, and beds have also been used.

In the experience of this inventor, private on-site wastewater treatment systems have finite lifetimes due to many factors including household water use, excessive introduction of chemicals into the waste stream, poor maintenance, and environmental factors. Replacement of any septic system component that may be required to deal with remediation of the entire system can be extremely expensive. The reason for this is the fact that the septic system components, for the most part, are buried underground as previously described and are largely inaccessible.

A very significant factor is that passive septic systems typically rely on the presence of indigenous anaerobic bacteria to break down the solid waste introduced to the system. As solid waste enters the septic tank, it flows through the series of baffles that are designed to reduce the velocity of the flow as previously described. Generally, three identifiable layers occur in a septic tank. First, as designed, solid wastes precipitate out of the flow to the bottom of the septic tank. This layer is generally known as sludge. Liquid effluent is the intermediate layer and generally consists of liquids and solids partially broken down into liquids by the anaerobic bacteria that are present in the septic tank. This intermediate layer is drained off to the absorption field. The top layer in the septic tank is generally known as the scum layer. The scum layer is comprised of mostly residual detergents, soaps, fats and oils and has a tendency to float at the top of the septic tank. Optimally, the septic tank is designed such that only the partially treated liquid effluent is permitted to leave the septic tank for the absorption field. Unfortunately, this is not always the case.

The standard septic system is passive in that it relies on the presence of indigenous anaerobic bacteria to break down the solid wastes introduced into the system. Anaerobic bacteria thrive in conditions such as those that exist at the bottom of a septic system, where oxygen is lacking. Accordingly, septic systems are designed to have the capacity to treat a certain amount of solid wastes based on the capability of the indigenous bacteria to break down the solid waste over a certain period of time. Therefore, the average amount of solid waste produced per day should be approximately equal to the amount that the anaerobic bacteria can break down in one day.

Aerobic bacteria are also indigenous and occur naturally within the waste stream. Aerobic bacteria, however, exist and function only where oxygen is present. While aerobic bacteria typically break down solid wastes more quickly than anaerobic bacteria, they are ineffective at breaking down sludge, or the solid layer at the bottom of the septic tank, because there is no oxygen present in that layer. Due to increased installation and operating costs, aerobic systems that would otherwise eliminate this sludge layer are not favored for home use.

As anaerobic bacteria digest solids suspended in the effluent as they make their way to the absorption field or in the absorption field, the suspended solids and accompanying bacteria are then deposited at the interface between the absorption field and the soil surrounding the system. This layer is known as the "bio-mat" and it performs further filtering of the effluent. Unfortunately, the bio-mat layer can grow to a thickness where it almost completely, or almost completely, impedes absorption.

While there are many ways in which septic systems can fail, two of the most likely modes of failure include the creation and thickening of a bio-mat layer at the absorption field component of the system due to the decomposition of solids within the effluent. Excess sludge and scum from the septic tank can also build up in this bio-mat. For example, when the rate of decomposition caused by the anaerobic bacteria is incapable of keeping up with rate of solids draining into the system, the septic tank fills with sludge. As the sludge level gets higher, the scum level at the top of the tank takes up more space. This causes the liquid effluent to run through the septic tank more quickly, which prevents solids from settling. The solids that fail to settle in the septic tank proceed to the absorption system, where they frequently plug the pores in the soil used for absorption. The scum layer can also find its way out of the septic tank and similarly prevents soil absorption. And if too much of the absorption field is plugged by scum and solids, the effluent will actually back up in the absorption area and cause muddy spots in the area above the absorption field. This is a sign that the absorption field has failed, an extremely malodorous and unsightly condition.

As alluded to earlier, replacement of soil absorption systems is frighteningly costly and heavily regulated by states, counties and municipalities due to the threat that malfunctioning systems pose to the groundwater. Replacement systems are very expensive, with the actual expense depending on the condition of other components in the septic system. Some owners choose to convert their existing passive system to an active system, an even more costly endeavor. Another possible option is to create an above-grade soil absorption system. Above grade systems also have operating and maintenance expenses and those are even greater than passive systems. Holding tanks are frequently the option of last resort as they are also expensive and need to be regularly pumped by a commercial contractor.

Frequently, a failing or failed soil absorption system can be remediated with the support of naturally occurring aerobic bacteria in the system. In theory, an aerobic system could eliminate or substantially reduce the failure rate of an absorption field. Unfortunately, aerobic bacteria also require the introduction of oxygen into the waste stream. Therefore, there is a need for a temporary means for introducing oxygen into a failed or failing soil absorption field for the purpose of converting the biochemical process from an anaerobic one to an aerobic one. The forced introduction of oxygen into the system would allow the aerobic bacteria to scour the bio-mat, thereby working to reduce the thickness and/or increase the permeability of the bio-mat and permit the system to revert back to an anaerobic passive system as originally designed. There is also a need to alter the biochemical process by conversion of the complete soil absorption component or a localized area of it.

BRIEF SUMMARY OF THE INVENTION

Accordingly, the present invention provides an apparatus and a method for the remediation of failing private onsite wastewater treatment systems, such systems being comprised of a septic tank having an inlet and an outlet, in some cases, a second septic tank or pumping chamber having an inlet and an outlet and a seepage pit, drywell, absorption field or a above grade mound system having an inlet and a plurality of outlets wherein effluent drains from the inlet to the outlet. The apparatus, in its most simple form, comprises (a) a positive pressure pump having an output, (b) a tube having a first end and a second end, the first end being attachable to the pump output, and (c) an air stone attachable to the second tube end. The pump is used to deliver air through the tube to the air stone. As much tube as is required is used to allow the air stone to be introduced into almost any portion of the wastewater treatment system so as to introduce air into the effluent and allow aerobic bacteria to proliferate. The apparatus of the present invention could also include a plurality of such pumps, tubes and air stones, and in many combinations.

The present invention also provides a method for remediating failed or failing private onsite wastewater treatment systems wherein an accumulation of bio-mat has reduced the flow of effluent through the dry well or the absorption field minimally comprising the steps of (a) introducing oxygen to the bio-mat, (b) introducing live aerobic bacteria to the bio-mat, (c) monitoring the level of effluent in the absorption field or dry well, and (d) stopping the introduction of air to the effluent when the bio-mat is sufficiently reduced or made permeable. The method of the present invention could also include introducing anaerobic and/or aerobic bacteria and/or facultative bacteria to the treated area before, and/or during and/or after the remediation equipment is removed.

The foregoing and other features of the method and apparatus of the present invention will be apparent from the detailed description that follows.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. **1** is a perspective view of a typical private wastewater treatment system of the type that the method and apparatus of the present invention could be used with.

FIG. **2** is a top plan view of the system illustrated in FIG. **1**.

FIG. **3** is a side elevational view of the system shown in FIG. **1**.

FIG. **4** is a photograph illustrating the components of an apparatus constructed in accordance with the present invention.

FIG. **5** is a graph illustrating ponded effluent depth versus elapsed time in a typical application using the method and apparatus of the present invention.

DETAILED DESCRIPTION

Reference is now made to the drawings wherein like numbers refer to like elements throughout. FIG. **1** illustrates a septic system, generally identified **10**, with which the apparatus and method of the present invention is intended to be used. It is to be understood, however, that the precise configuration of the system is not a limitation of the present invention and could assume any number of sizes and layouts. The septic system **10** shown is for illustration purposes only. A six foot tall man **4** is included for relative size reference as well.

As shown in FIG. **3**, the septic system **10** lies, for the most part, below earth grade **2**. The system **10** includes a pipe **12** leading from a home or building (not shown) which pipe **12** is connected to a first septic tank **14**. The first tank **14** may or may not have a vented cover. As shown, the first tank **14** includes a riser **16**. The first tank **14** is, in turn, connected to a second tank **18**. This second tank **18** may or may not have a vented cover as well. As shown, the second tank **18** includes a riser **20** and a vent **21**. As will become apparent later in this detailed description, if either the first or second tanks **14**, **18** do not have a vented cover atop of **16**, **20**, respectively, one may need to be added in order to utilize the apparatus of the present invention. This second tank **18** may also be a pumping chamber. It should also be noted that the second tank **18** lies slightly below the first tank **14** such that gravity affects a downstream flow of effluent from one tank to the other.

The second tank **18** is, in turn, connected to a dry well or seepage pit **22**. The dry well or seepage pit **22** includes a vent **24**. An alternate to a dry well or seepage pit **22** is an absorption field **26** or an above grade mound system (not shown). The absorption field **26** may include a distribution box **28** and a vent **30**. The distribution box **28** of the absorption field **26** may or may not include a distribution box riser **32** and a distribution box vent **34**. Again for reasons that will become apparent later in this detailed description, a distribution box riser **32** will likely need to be added to the system **10** if one is not already included. As shown in FIG. **3**, it will be shown that the downward flow of effluent is effected by gravity. Alternatively, the effluent can be moved by a positive pressure pump to the soil distribution component of the system.

In general, the apparatus of the present invention is comprised of at least one high volume pump **40** connected to at least one low pressure drop sintered air stone **60**. The air stone **60** has a relatively large surface area. See FIG. **4**. The pumps **40** and all internal electrical connections are packaged in a weatherproof container **42**. The external electrical connection **44** is connected via an extension cord to a circuit breaker or may be permanently hardwired to an electrical junction box. The pumps **40** force air into clear vinyl tubing **50**, although many types of tubing are acceptable and would be within the scope of the present invention. The tubes, or aeration lines, **50** are then connected to the air stones **60**, which are placed at various locations inside the septic system **10**.

As shown in FIG. **1**, and using the system illustrated therein as representative of a typical system, the preferred location for the aeration lines **50** is in the vent pipe **34** of the distribution box **28**, the vent pipe **24** of the dry well **22**, or the vent pipe **21** of the second tank or pumping chamber **18**. For example, as shown in FIGS. **1**, **2** and **3**, a first pump **40***a*, tubing **50***a*, and air stone **60***a* are used with the second tank **18**. At that location, the first air stone **60***a* and a portion of the tubing **50***a* are inserted into the second tank **18** via the tank vent **21**. A second pump **40***b*, tubing **50***b*, and air stone **60***b* are used with the dry well or seepage pit **22**. And a third pump **40***c*, tubing **50***c*, and air stone **60***c* are used with the distribution box **28** of the absorption field **26**. If the standing effluent level in the distribution box **28** is not of adequate depth, an alternate location should be considered. If a vent pipe or well is not available at this location, one may be installed for a rather nominal cost. In most cases, the standard vent cap can be used during remediation.

It is to be understood that the apparatus of the present invention could be installed in alternate locations. For example, the aeration lines could be installed in the final septic tank or pumping chamber of a multiple tank system or in the septic tank in a single tank system immediately prior to the outlet to the soil absorption system. As an alternate to installing through a vented cover, small holes can be drilled through the lid of the tank or compartment and the aeration lines installed. Installation of an approved effluent filter is recommended with this application method.

Remediation is a lengthy process. However, the method and apparatus of the present invention provides some degree of immediate relief quite quickly. Thereafter, the rate of remediation tapers off over time. Substantial remediation can occur in most systems within about 6 months, although other systems may require as long as one year. If, even then, the system is not completely remediated, the equipment can be operated for longer periods without detrimental effects to the system.

Depending on conditions, the introduction of approved bacteria, enzymes and vitamins may expedite the remediation process. Unfortunately, after the remediation equipment has been removed, there will be a lag of decomposition activity while the aerobic bacteria dies and the anaerobic bacteria again takes over. Many types of bacteria are available for purchase which include both aerobic, and/or anaerobic and/or facultative that can expedite the system's return to normalcy. Addition of these products is not required in the method of the present invention but may be considered to enhance performance.

In the experience of this inventor, the length of time required to remediate a failing or failed absorption field depends on several factors, including, but not limited to, system type, size, severity of failure, site conditions, precipitation, and the average temperature during the remediation process. Several trials have been conducted that show the influences of these conditions. All trials showed successful application of the remediation program. The trials showed little change in measured effluent in the absorption system during the first several days of remediation. The following weeks showed a significant drop in effluent levels. Over time, the rate of effluent reduction decays. Rapid effluent drop near the top of the absorption system is to be expected as it is not normally used until the lower levels become plugged and the effluent levels begin to rise. Daily specific hydraulic loading and local precipitation had similar effects on all systems.

In another particular application, the present invention provides for use of two Dynastar 2 Pumps **40**, two 12 inch Micro-Bubble air stones **60**, 20 feet of tubing **50**, a pair of "tees", one tube weight, a weatherproof container **42**, an extension cord **44** and a UL rated ground fault circuit interrupter, or GFCI. See also FIG. **4**. All electrical connections for the pumps **40** are located inside the weatherproof container **42**. An extension cord runs to a GFCI and then to the power source. The pumps **40**, are generally piston pumps but any positive pressure generating pump can be used. The piston pump **40** used in this embodiment of the invention provides 0.23 CFM (ft^3/min) to a 3/16 inch×0.032 inch wall tubing, although other pumps of various output capacities could be used. Other sizes and types of tubing **50** would also work equally well. Additionally, several types of air stones **60** other than that specified will work. The air stones **60** are attached to the end of the tubing **50** and distribute air more effectively to wet areas.

In the opinion of this inventor, installation of the device of the present invention is relatively simple and straightforward and can frequently be accomplished by the homeowner. The user should first identify the components of his or her particular septic system. Frequently, the local government or health department will have information about the homeowner's septic system on file. However, as a general rule, home septic systems are comprised of a pipe running from the house to the septic tank, in some cases, a pipe running to a second septic tank or pumping chamber, and a typical distribution box that splits the effluent into several pipes going into the absorption field, as discussed above. With this configuration, there are several different locations in which the apparatus of the present invention can be installed to eliminate excess bio-mat. The preferred location to install the remediation equipment is as close to the bio-mat problem as possible. Therefore, in a septic system having a first septic tank **14**, a second septic tank or pumping chamber **18**, a dry well **22** and a distribution box **28** leading to one or more absorption field vents **30**, **34**, the preferred location would be in the dry well or seepage pit **22**. A secondary, but still beneficial location would be to install the aerator stone **60** in the distribution box **28**. However, it would also be beneficial to install the aerator stone **60** of the present invention after the second septic tank **18**. Obviously, different septic systems will require slightly different installations.

In the event that a septic system **10** does not have a vent at a convenient location to monitor the progress of the remediation method, a monitoring well can be added to a conventional soil absorption system by driving a "sandpoint" well point not less than 12 inches and not more than 24 inches below the bottom of the soil absorption vent pipe **30**. The bottom of the "sandpoint" should be driven to the bottom of the soil absorption field **26**. Therefore, the effluent level in the "sandpoint" can then be monitored.

The remediation apparatus of the present invention should be allowed to operate for six months. If the system **10** is severely plugged, the equipment can operate for more time without damaging the septic system. The depth of the ponded effluent should be recorded regularly. Frequently, plotting the data on a program such as Microsoft® Excel will enable the user to predict the amount of time required for remediation. A good estimate of the required operating time can be obtained by examining a plot of the Ponded Effluent Depth as shown in FIG. **5**. Normally, treatment should continue for two months after the ponded effluent depth stabilizes. For the system plotted in FIG. **5**, the owner of the septic system might expect to operate the system a total of 120 days. The user should expect some anomalous measurements during the remediation period. For example, in FIG. **5**, the ponded effluent depth in the septic system declined for several days, remained steady, and then rose again. This rise could be attributed to many things such as increased water usage and precipitation.

This equipment and process can also be applied to the effluent contained in a holding tank. In this application, the effluent category can be changed from untreated waste to treated waste. This recategorization may reduce the pumping cost associated with the holding tank. Typically, untreated waste of a holding tank must be disposed of in a waste treatment facility. The waste treatment facility charges the waste hauler for this service, who in turn charges the owner of the holding tank. Treated waste can be alternatively distributed into the surface of the ground at less cost.

Yet another application of this process and equipment is in mobile and portable holding tanks. Mobile and portable holding tanks can be found in but not limited to recreational vehicles, camping trailers, boats, etc. These holding tanks are anaerobic in nature and emit odorful methane gases. Owners typically add chemical odor controllers containing paraformaldehyde, alkyl dimethyl benzyl ammonium chloride (quaternary ammonium) or other disinfectants. These chemicals are toxic and detrimental to a private on-site wastewater treatment system. Many rural campgrounds are serviced by private on-site wastewater treatment system. Many campgrounds discourage or have banned the use of these additives. In this application, the naturally occurring aerobic bacteria can eliminate the odors of a blackwater or sewage holding tank. The equipment will keep the holding tank significantly free of sludge build up on the sidewalls and depth sensors. Application of this process to the gray water holding tank will also eliminate odor, keeps the holding tank free of sludge build up on the sidewalls and depth sensors. This treated gray water is then suitable for the use of flushing the toilet.

Based on the foregoing, it will be apparent that there has been provided a apparatus and method for introducing oxygen into a failed or failing soil absorption field for the purpose of converting the biochemical process from an anaerobic one to an aerobic one. The forced introduction of oxygen into the system allows the aerobic bacteria to scour the bio-mat, thereby working to reduce the thickness of the bio-mat and permitting the system to revert back to an anaerobic passive system as originally designed. By using the method and apparatus of the present invention, the biochemical process is altered by complete or localized conversion of the soil absorption component as above described. The apparatus of the present invention may seem quite simple in practice compared to existing aerobic systems. However, the goal of this approach to remediation is value based. The idea is to provide an inexpensive and effective alternative to replacing the absorption system of a septic system. This has been accomplished by the method and apparatus of the present invention.

The principles of my invention having been described in accordance with the foregoing, I hereby claim:

1. A method for remediating a wastewater treatment system, such system being comprised of at least one septic tank having an inlet and an outlet, and at least one absorption field wherein effluent drains from the tank outlet, wherein an accumulation of bio-mat has reduced the flow of effluent through the absorption field, which comprises the steps of

introducing oxygen to the bio-mat,

introducing live aerobic bacteria to the bio-mat,

monitoring the level of effluent in the absorption field, and

stopping the introduction of air to the effluent when the bio-mat is sufficiently reduced or made permeable.

2. The method of the claim **1** including the step of introducing live anaerobic bacteria to the system after stopping the introduction of air to the system.

3. A wastewater treatment system for carrying treating effluent comprising:

a penultimate septic tank having an outlet;

an ultimate septic tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

a distribution system in fluid communication with said ultimate tank outlet;

a leaching system in fluid communication with said distribution system;

at least one positive pressure pump having an output;

a tube having a first end and a second end, the first end being attached to the pump output; and

an air stone attached to the second tube end and capable of introducing air into the effluent, wherein said effluent in said ultimate tanks comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

4. The system of claim **3** wherein the at least one positive pressure pump is electrically actuated to start and stop the introduction of air into the effluent and to increase and reduce the proliferation of aerobic bacteria therein.

5. The system of claim **4** wherein the at least one positive pressure pump comprises internal electrical connections that are packaged within a weatherproof container.

6. The system of claim **3** further comprising means for introducing into the effluent one or more selected from a group consisting of anaerobic bacteria, aerobic bacteria, facultative bacteria, enzymes and vitamins.

7. A wastewater treatment system for carrying treating effluent comprising:

a penultimate holding tank having an outlet;

an ultimate holding tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

a distribution system in fluid communication with said ultimate tank outlet;

a leaching system in fluid communication with said distribution system;

at least one positive pressure pump having an output;

a tube having a first end and a second end, the first end being attached to the pump output; and

an air stone attached to the second tube end and capable of introducing air into the effluent, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

8. The system of claim **7** wherein the at least one positive pressure pump is electrically actuated to start and stop the introduction of air into the effluent and to increase and reduce the proliferation of aerobic bacteria therein.

9. The system of claim **8** wherein the at least one positive pressure pump comprises internal electrical connections that are packaged within a weatherproof container.

10. The system of claim **7** further comprising means for introducing into the effluent one or more selected from a group consisting of anaerobic bacteria, aerobic bacteria, facultative bacteria, enzymes and vitamins.

11. The system of claim **7** wherein the holding tanks are mobile or portable tanks.

12. A method for temporarily converting a wastewater treatment system for carrying treating effluent from an anaerobic system to an aerobic system comprising the steps of:

providing a penultimate septic tank having an outlet;

providing an ultimate septic tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

providing a distribution system in fluid communication with said ultimate tank outlet;

providing a leaching system in fluid communication with said distribution system;

providing at least one positive pressure pump having an output;

providing a tube having a first end and a second end;

attaching the first tube end to the pump output;

providing an air stone, said air stone being capable of introducing air into the effluent; and

attaching the air stone to the second tube end, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

13. The method of claim **12** comprising the step of electrically actuating the at least one positive pressure pump to start and stop the introduction of air into the effluent and to increase and reduce the proliferation of aerobic bacteria therein.

14. The method of claim **12** wherein the at least one positive pressure pump comprises internal electrical connections that are packaged within a weatherproof container.

15. The method of claim **12** comprising the step of introducing into the effluent one or more selected from a group consisting of anaerobic bacteria, aerobic bacteria, facultative bacteria, enzymes and vitamins.

16. A method for temporarily converting a wastewater treatment system for carrying treating effluent from an anaerobic system to an aerobic system comprising the steps of:

providing a penultimate holding tank having an outlet;

providing an ultimate holding tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

providing a distribution system in fluid communication with said ultimate tank outlet;

providing a leaching system in fluid communication with said distribution system;

providing at least one positive pressure pump having an output;

providing a tube having a first end and a second end;

attaching the first tube end to the pump output;

providing an air stone, said air stone being capable of introducing air into the effluent; and

attaching the air stone to the second tube end, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

17. The method of claim **16** comprising the step of electrically actuating the at least one positive pressure pump to start and stop the introduction of air into the effluent and to increase and reduce the proliferation of aerobic bacteria therein.

18. The method of claim **16** wherein the at least one positive pressure pump comprises internal electrical connections that are packaged within a weatherproof container.

19. The method of claim **16** comprising the step of introducing into the effluent one or more selected from a group consisting of anaerobic bacteria, aerobic bacteria, facultative bacteria, enzymes and vitamins.

20. The method of claim **16** wherein the holding tanks are mobile or portable tanks.

* * * * *

US007264727C1

(12) **EX PARTE REEXAMINATION CERTIFICATE** (9914th)

United States Patent

Holt

(10) **Number: US 7,264,727 C1**

(45) **Certificate Issued: Oct. 29, 2013**

(54) **SEPTIC SYSTEM REMEDIATION METHOD AND APPARATUS**

(75) Inventor: **Karl K. Holt**, Hartland, WI (US)

(73) Assignee: **Aero-Stream, LLC**, Hartland, WI (US)

Reexamination Request:
No. 90/012,303, Jul. 5, 2012

Reexamination Certificate for:
Patent No.: **7,264,727**
Issued: **Sep. 4, 2007**
Appl. No.: **10/764,245**
Filed: **Jan. 23, 2004**

Related U.S. Application Data

(60) Provisional application No. 60/442,446, filed on Jan. 25, 2003.

(51) **Int. Cl.**
C02F 3/00 (2006.01)
C02F 3/28 (2006.01)
C02F 3/30 (2006.01)
C02F 3/20 (2006.01)

(52) **U.S. Cl.**
CPC . ***C02F 3/286*** (2013.01); ***C02F 3/30*** (2013.01); *C02F 3/20* (2013.01)
USPC **210/620**; 210/220

(58) **Field of Classification Search**
None
See application file for complete search history.

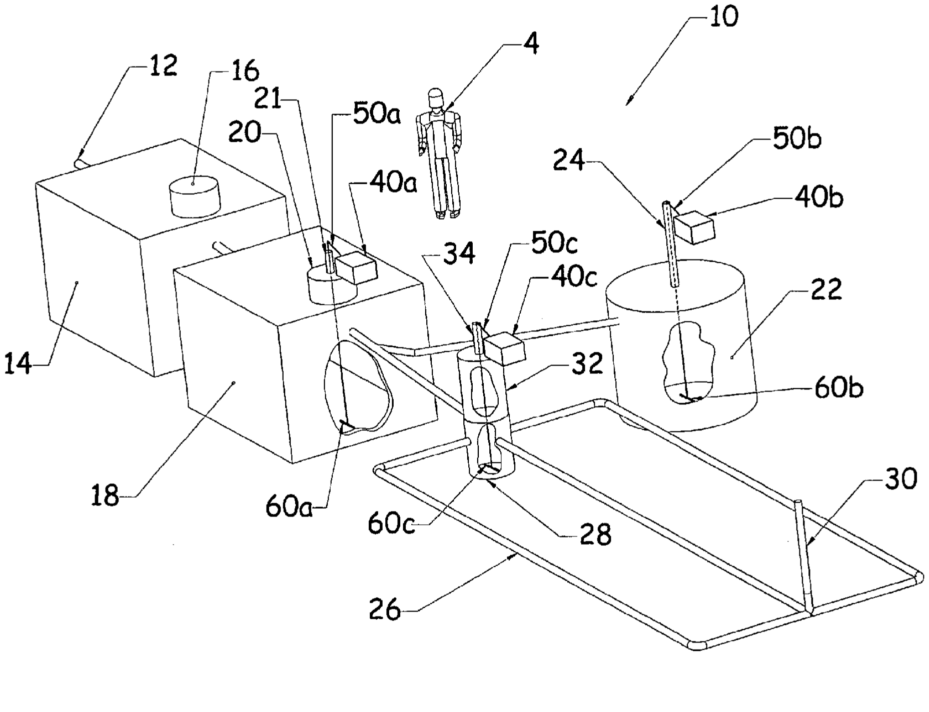
(56) **References Cited**

To view the complete listing of prior art documents cited during the proceeding for Reexamination Control Number 90/012,303, please refer to the USPTO's public Patent Application Information Retrieval (PAIR) system under the Display References tab.

Primary Examiner — Sean E Vincent

(57) **ABSTRACT**

An apparatus and a method for the remediation of failing wastewater treatment systems, such systems being comprised of one or more septic tanks and a seepage pit, drywell, absorption field or an above grade mound system having an inlet and a plurality of outlets wherein effluent drains from the inlet to the outlet, comprises a positive pressure pump having an output, a tube having a first end and a second end, the first end being attachable to the pump output, and an air stone attachable to the second tube end. The pump is used to deliver air through the tube to the air stone. As much tube as is required is used to allow the air stone to be introduced into almost any portion of the wastewater treatment system so as to introduce air into the effluent to allow aerobic bacteria to proliferate. The apparatus could also include a plurality of such pumps, tubes and air stones, and in many combinations. The method comprises introducing oxygen to the bio-mat, introducing live aerobic bacteria to the bio-mat, monitoring the level of effluent in the absorption field or dry well, and stopping the introduction of air to the effluent when the bio-mat is sufficiently reduced or made permeable. The method could also introduce live anaerobic bacteria to the treated area after remediation equipment is removed.



EX PARTE REEXAMINATION CERTIFICATE ISSUED UNDER 35 U.S.C. 307

THE PATENT IS HEREBY AMENDED AS INDICATED BELOW.

Matter enclosed in heavy brackets [ ] appeared in the patent, but has been deleted and is no longer a part of the patent; matter printed in italics indicates additions made to the patent.

AS A RESULT OF REEXAMINATION, IT HAS BEEN DETERMINED THAT:

Claims **1**, **3**, **7**, **12-14** and **16-18** are determined to be patentable as amended.

Claims **2**, **4-6**, **8-11**, **15**, **19** and **20**, dependent on an amended claim, are determined to be patentable.

1. A method for remediating a wastewater treatment system, such system being comprised of at least one septic tank having an inlet and an outlet, and at least one absorption field wherein effluent drains from the tank outlet, wherein an accumulation of bio-mat has reduced the flow of effluent through the absorption field, which comprises the steps of *introducing oxygen into said at least one septic tank,* introducing oxygen to the bio-mat, introducing live aerobic bacteria to the bio-mat, monitoring the level of effluent in the absorption field *by creating a monitoring well below a top surface of the absorption field, monitoring a level of the effluent in the monitoring well,* and stopping the introduction of air **[**to the effluent**]** *into said at least one septic tank having the effluent therein* when the bio-mat is sufficiently reduced or made permeable.

3. A wastewater treatment system for carrying treating effluent comprising:

a penultimate septic tank having an outlet;

an ultimate septic tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

a distribution system in fluid communication with said ultimate tank outlet;

a leaching system *comprising an absorption field, the absorption field* in fluid communication with said distribution system;

a monitoring well is located below a top surface of the absorption field for monitoring a level of effluent;

at least one positive pressure pump having an output;

a tube having a first end and a second end, the first end being attached to the pump output; and

an air stone attached to the second tube end and capable of introducing air into the effluent, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

7. A wastewater treatment system for carrying treating effluent comprising:

a penultimate holding tank having an outlet;

an ultimate holding tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

a distribution system in fluid communication with said ultimate tank outlet;

a leaching system *comprising an absorption field, the absorption field* in fluid communication with said distribution system;

a monitoring well is located below a top surface of the absorption field for monitoring a level of effluent;

at least one positive pressure pump having an output; a tube having a first end and a second end, the first end being attached to the pump output; and

an air stone attached to the second tube end and capable of introducing air into the effluent, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

12. A method for temporarily converting a wastewater treatment system for carrying treating effluent from an anaerobic system to an aerobic system comprising the steps of:

providing a penultimate septic tank having an outlet;

providing an ultimate septic tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

providing a distribution system in fluid communication with said ultimate tank outlet;

providing a leaching system in fluid communication with said distribution system;

providing at least one positive *air* pressure pump having an output, *running said at least one positive air pressure pump for a period of at least six months to control a bio-mat layer, continuing to run said at least one positive air pressure pump for a period of about two months after a depth of the effluent stabilizes, ceasing to run said at least one positive air pressure pump after said about two months;*

repeating the process of running and stopping said at least one positive air pressure pump to control the bio-mat layer;

providing a tube having a first end and a second end;

attaching the first tube end to the pump output;

providing an air stone, said air stone being capable of introducing air into the effluent; and

attaching the air stone to the second tube end, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

13. The method of claim **12** comprising the step of electrically actuating the at least one positive *air* pressure pump to start and stop the introduction of air into the effluent and to increase and reduce the proliferation of aerobic bacteria therein.

14. The method of claim **12** wherein the at least one positive *air* pressure pump comprises internal electrical connections that are packaged within a weatherproof container.

16. A method for temporarily converting a wastewater treatment system for carrying treating effluent from an anaerobic system to an aerobic system comprising the steps of:

providing a penultimate holding tank having an outlet;

providing an ultimate holding tank having an outlet and an inlet in fluid communication with said penultimate tank outlet;

providing a distribution system in fluid communication with said ultimate tank outlet;

providing a leaching system in fluid communication with said distribution system;

providing at least one positive *air* pressure pump having an output, *running said at least one positive air pressure pump for a period of at least six months to control a bio-mat layer, continuing to run said at least one positive air pressure pump for a period of about two months after a depth of the effluent stabilizes, ceasing to run said at least one positive air pressure pump after said about two months;*

repeating the process of running and stopping said at least one positive air pressure pump to control the bio-mat layer;

providing a tube having a first end and a second end;

attaching the first tube end to the pump output;

providing an air stone, said air stone being capable of introducing air into the effluent; and

attaching the air stone to the second tube end, wherein said effluent in said ultimate tank comprises air and the ultimate septic tank, distribution system, and leaching system comprise proliferating aerobic bacteria.

17. The method of claim **16** comprising the step of electrically actuating the at least one positive *air* pressure pump to start and stop the introduction of air into the effluent and to increase and reduce the proliferation of aerobic bacteria therein.

18. The method of claim **16** wherein the at least one positive *air* pressure pump comprises internal electrical connections that are packaged within a weatherproof container.

* * * * *

CERTIFICATE OF SERVICE

On the 8th day of June, 2015, I filed the foregoing Appellants' Brief and Addendum electronically with the Clerk of Court via the Court's CM/ECF System. The following counsel of record were automatically served copies of said Brief by said CM/ECF System, via email.

S. Edward Sarskas, Esq.
Michael Best & Friedrich, LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, WI 53202

Email: sesarskas@michaelbest.com
Direct: 414-223-2521

Upon acceptance by the Court of the e-filed document, six paper copies will be filed with the Court, via Federal Express, within the time provided in the Court's rules.

June 8, 2015

/s/ Michael T. Hopkins .
Michael T. Hopkins

FORM 19. Certificate of Compliance With Rule 32(a)

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION, TYPEFACE REQUIREMENTS, AND TYPE STYLE REQUIREMENTS

1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B) or Federal Rule of Appellate Procedure 28.1(e).

☑ The brief contains [*9,365*] words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii), or

☐ The brief uses a monospaced typeface and contains [*state the number of*] lines of text, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii).

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) or Federal Rule of Appellate Procedure 28.1(e) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6).

☑ The brief has been prepared in a proportionally spaced typeface using [*Apple Pages, ver. 5.5.2*] in [*14 pt Times New Roman*], or

☐ The brief has been prepared in a monospaced typeface using [*state name and version of word processing program*] with [[*state number of characters per inch and name of type style*].

/s/ Michael T. Hopkins
(Signature of Attorney)

Michael T. Hopkins
(Name of Attorney)

Attorney for Appellants
(State whether representing appellant, appellee, etc.)

June 8, 2015
(Date)

Reset Fields